

the future



made **EZ.**

Together at last.

Blockchain and same-day **ACH**: a true story.



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BEWARE

- **Buying XRP, Bitcoin, Ethereum, Litecoin, or any Crypto-currency for investment purposes is deemed high risk. No one should buy anymore than one may afford to loose.**
- **In no way am I nor eZforex.com, Inc. here to endorse any crypto-currency. The purpose of this presentation is for educational purposes. My intent is to make everyone aware of the technology and how it will reshape the world in years to come.**



Additional Notices

- **The intent of this presentation is to educate the public, banks and credit unions on Blockchain. eZforex and Ripple present live cases to financial institutions throughout the United States.**
- **The original format of this presentation is reduced from 75 to 35 slides. The remainder slides are Ripple's and StarOne Credit Union's technical proprietary protocol and are not to be shared.**



Who is *eZforex.com*

GLOBALIZING FINANCIAL TECHNOLOGY

Facilitates the **International Transfers (FedGlobal ® ACH, and Blockchain)**, and **Foreign Cash Servicing the US Government and 4000+ FIs**

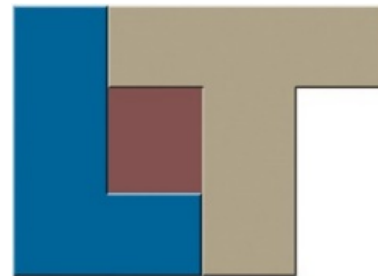


Provider of the First Live Blockchain Transfer from an FI in the

Who is *eZforex.com*

GLOBALIZING FINANCIAL TECHNOLOGY

- Partners include



Today's Focus...

- Internet 2.0 – Blockchain initiative across verticals • Reinventing “Cross-border” payments
- What is Blockchain – how it's reshaping our world....from Insurance, Real Estate, Medical to banking
- Crypto-currencies – purpose vs. speculative play
- Q & A



What is Blockchain

- **Blockchain** is a protocol for a digital ledger that enables proof of ownership and the transfer of ownership from one entity to another without using a trusted third party intermediary...example...cross-border payments.



Rewiring the Financial System for Speed and Inclusion

- The Financial Services Industry makes our global economy hum, but many ways it's broken and needs rewiring.
- Many say it's the most centralized industry in the world.
- It's also the last industry to feel the effects of the technological revolution.



Let's address: What, How, and Why

- **What:** Cross-border payments as we know it today.
- **How:** Creating Internet of Value – by implementing Blockchain, distributed ledger and crypto-currencies.
- **Why:** Blockchain - establishing trust via the Internet



What: Eliminating Antiquity

- The Internet increases efficiency.
- Increases speed, communication.
- Cross-border payments last industry to undergo transformation.
- Eliminate inefficiencies by reducing intermediary banks.
- Lower cost, faster speed with near-instant reconciliation.
- The ability to convert almost any type of currency.



How: By Creating Internet of Value

- By implementing Blockchain, distributed ledger and crypto-currencies.
- Introducing Ripple....
- An exchange network and a trading platform with a Blockchain backend.
- A method of settling transactions or obligations through Ripple's Distributed Ledger.



Why: To Re-establish Trust over Internet – I call it **Internet2.0**

From the outset cyber security has been the topic of the century –

Just ask:

- Equifax
- Target
- Neiman Marcus
- Home Depot
- JP Morgan Chase
- Michaels Stores
- Democratic National HQ
- The Russians

1. Cyber Security

How many of you were affected by Equifax?

2. How do you protect your identity?



Ultimate Goal – Check this out....

- Internet of “Value” – Sending a payment is no different than sending data, or an email
- [Today’s Cross-border payments](#) example – from a mobile wallet



Crypto-currencies

the future



made **EZ.**

Use Cases...

Bitcoin – P2P - No purpose –illicit activity– Federal Reserve will never endorse it.

*Computing power equals same computing power of Denmark...several servers control/ultimately may crash...

Ethereum – P2P use to move data via IBM/Goldman initiatives – supply chain management

XRP – Reinventing Global payments – Nostro accounts...Fx = \$10 Trillion – Fed is looking hard – once other Central Banks buy-in.



What is Cryptography?

- Cryptography It is about constructing and analyzing protocols to “prevent the public from reading private messages.”¹



What is Distributed Ledger?

- Distributed ledger is a type of database that are spread across multiple sites, countries or institutions. Records are stored one after the other in a continuous ledger. Distributed ledger data can be either "permissioned" or "un-permissioned" to control who can view it.²



Permissioned vs. Non-permissioned Distributed Ledger

- Ripple's Blockchain/ledger (the XRP Ledger) is permissioned.
- In other words, for someone new to participate in operating the ledger, one of the existing operators ("Validators") must provide authorization. This is unlike **Bitcoin**, where anyone can contribute to the operation of the BTC ledger by just running a server with the Bitcoin code on it - **you don't need 'permission' to participate.**



Permissioned vs. Non-permissioned Distributed Ledger (cont.)

- **Bitcoin advocates would say that Bitcoin is more secure because operation requires zero trust.** The problem with this is that anyone with enough servers and computing power can take over the BTC ledger (because computing power equals authority). Today, there are 3-4 companies that together have unilateral control over Bitcoin.



Permissioned vs. Non-permissioned Distributed Ledger (cont.)

- **Ripple advocates would argue that Bitcoin's method lacks security and efficiency.** It's very easy for someone to take over the BTC ledger, and is extremely expensive to operate. By contrast, Ripple provides a much more cost-efficient operation method that is harder to overwhelm.
- This is one of the key reasons why BTC is so slow and expensive, and why **Ripple's XRP is the fastest and cheapest digital asset in the market.**



Crypto-currencies in the News

- **Bitcoin & Ethereum** uses “**P2P protocol**” (Peer-to-peer). P2P protocol refers to the decentralized interactions that happen between at least two parties in a highly interconnected network. P2P participants deal directly with each other through a single mediation point. Not a preferred medium according to federal regulators (banks).
- **Ripple XRP – B2B Protocol** - According to a CNBC interview, federal regulators and central banks prefer XRP over Bitcoin and Ethereum because it's bank-to-bank.³



What is Ripple?

- Ripple was created to move value across the world cheaper, faster, and more secure than any other network.
- Built upon a distributed open source Internet protocol, consensus ledger and native currency called **XRP** (ripples). Released in 2012, Ripple purports to enable "**secure, instant and nearly free global financial transactions of any size with no chargebacks.**"⁴ It supports tokens representing fiat currency and cryptocurrency.



What is Ripple? (cont.)

- At its core, Ripple is based around a shared, public database or ledger, which uses a **consensus process that allows for payments, exchanges and remittance in a distributed process**. For more info visit:
http://ripple.com/files/ripple_consensus_whitepaper.pdf.
- Currently, Ripple is the third-largest cryptocurrency by market capitalization, after Bitcoin and Ethereum.
- But I personally feel, XRP is the most powerful with the biggest future.



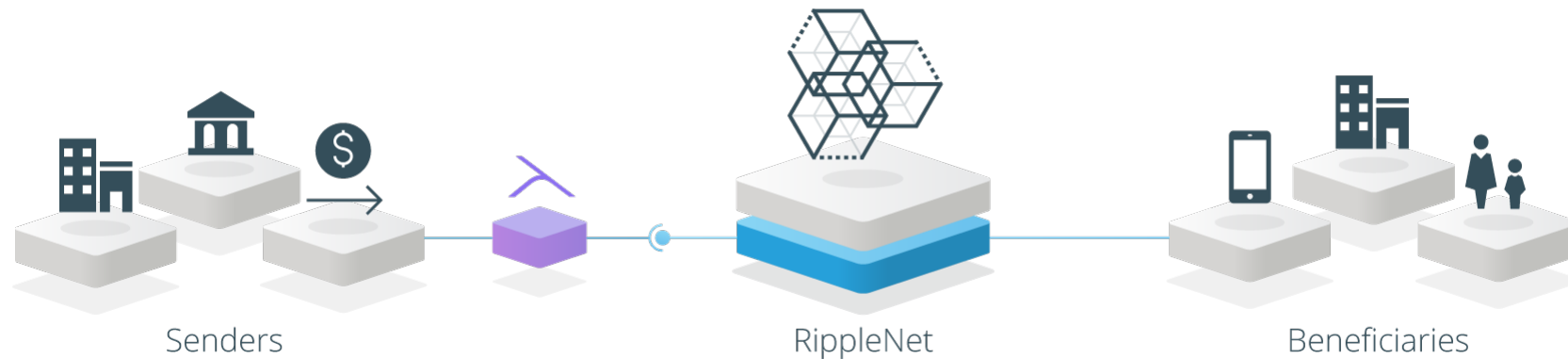
Will XRP become an alternative to Intermediary F.I.'s

- Perhaps – Will Nostro accounts become commoditized?
- A correspondent account is an account (often called a **nostro** or **vostro account**) established by a banking institution to receive deposits from, make payments from one bank to another.
- Savings billions of dollars untied funds.



Flow of Funds using XRP as a bridge currency not replacing fiat.

- Ripple's.....Xvia



What is Bitcoin?

- Bitcoin is a cryptocurrency and a digital payment system invented by an unknown programmer, or a group of programmers, under the name Satoshi Nakamoto. It was released as open–source software in 2009.
- The system is **P2P**, and **transactions take place between users directly, without an intermediary**. These transactions are verified by **network nodes** and **recorded in a public distributed ledger called a Blockchain**. Since the system works without a central repository or single administrator, bitcoin is called the first decentralized digital currency.



What is Bitcoin? (cont.)

- Besides being created as a reward for mining, bitcoin can be exchanged for other currencies, products, and services in legal or **black market**.
- As of February 2015, over 100,000 merchants and vendors accepted bitcoin as payment. According to research produced by Cambridge University in 2017, there are 2.9 to 5.8 million unique users using a cryptocurrency wallet, most of them using bitcoin.⁵



Bitcoin – my take...

- No Regulation by any government
- No Transparency
- Can be mined and will run out by 2020.
- Derivative Trading likely increase demand, which increases price.
- No purpose
- Large computing power equals the same as Denmark.
- Nothing more than software that can be brought down by a few servers who has control over it's computing power.
- Expect Bitcoin to increase in value before it tanks.



P2B vs. B2B

- Will there become a new gold standard with crypto-currency? If so, when, why and how?
- Global Gateways and payment providers - Nostro accounts – What does crypto currencies mean to Global liquidity providers have tied up billions of USD in foreign bank accounts, resulting possible losses due to foreign fx Markets.



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Buying XRP vs. Bitcoin or Ethereum

- <https://ripple.com/xrp/buy-xrp/>
- XRP designed for institutional purposes - For banks, payment providers.
- As a result price is less than 23 cents vs. \$300 to \$15,000 per unit for Bitcoin and Ethereum.
- Less risk? No one knows



Click Press Release -----Blockchain is here now

- eZforex partnered with Ripple to become their frontend for credit unions and banks in the United States.
- In fact, on April 3rd, 2017, eZforex, StarOne Credit Union, and Ripple initiated the nation's first Blockchain transactions.
- Reaching the European gateway in 5 seconds or less.
- [CNBC Interview with Ripple's CEO, Brad Garlinghouse](#)



The Future of Blockchain

- In 2013 and 2014 Central Banks and banks initially tried squelching BC with Regulation.
- Today, less than two years later....countries like UK, Canada, Australia, China, and Japan began testing digital currencies by putting their money on Blockchain.
- Blockchain are permanent and unalterable records of every transaction.



The Future of Blockchain (cont.)

- Putting a country's money supply on a Blockchain controlled by a Central Bank would be transformative, because there would be a permanent record of every financial transaction.
- BC and Digital currency would reduce the risk of fraud and would provide Central Banks control in executing monetary and fiscal policy.
- Regulators, Central Banks, and Banks all must work together to make this happen and become mainstream.
- **Source: Blockchain for Dummies⁶**



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