

# BLOCKCHAIN CAPITAL, LLC

## CCP II, LP

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# TECHNOLOGY THOUGHT-LEADERS ARE CONVINCED



Bill Gates:

"Bitcoin is better than currency...a technological tour de force."



Ben Bernanke

"[Virtual Currencies] may hold long-term promise, particularly if the innovations promote a faster, more secure and more efficient payment system."



Eric Schmidt

"Bitcoin is a remarkable cryptographic achievement and the ability to create something that is not duplicable in the digital world has enormous value."



Milton Friedman (1999)

"I think the Internet is going to be one of the major forces for reducing the role of government... The one thing that's missing, but that will soon be developed, is a reliable e-cash"



Peter Thiel

"I do think Bitcoin is the first encrypted money that has the potential to do something like change the world."



Al Gore

"I'm a big fan of Bitcoin...Regulation of money supply needs to be depoliticized"



David Marcus (former CEO PayPal)

"I really like Bitcoin. I own Bitcoins. It's a store of value, a distributed ledger. It's a great place to put assets."

# INCUMBENTS EMBRACING THE BLOCKCHAIN

## NASDAQ - partnered with Chain to launch private company exchange



"As blockchain technology continues to redefine not only how the exchange sector operates, but the global financial economy as a whole, NASDAQ aims to be at the center of this watershed development," - Robert Greifeld, NASDAQ CEO,



## Citi - launched "Citicoin" project

"Blockchain technology not only has an opportunity to transform financial services but also extend far beyond payments to new use-cases and applications across industries," - Debby Hopkins, Chief Innovation Officer at Citi



## Santander - published: "Fintech 2.0 Paper: Rebooting Financial Services"

"Blockchain technologies could reduce banks' infrastructural costs by \$15-20bn a year by 2022"

## Standard Chartered



"The banking industry is starting to see the many potential benefits of its underlying technology. For banks, the blockchain has the potential to become a technology model for a low-cost and transparent transaction infrastructure." - Anju Patwardhan, Chief Innovation Officer

## Royal Bank of Scotland - announced a \$3.5 Billion technology revamp over next 3 years



"I don't know what's going to succeed. What I'm certain of is that we are going to see blockchain solutions, peer-to-peer solutions emerging in our industry and we want to be close to that development." - Simon McNamara, Chief Administrative Officer at RBS



Morgan Stanley

BBVA

UnionBank

JPMorgan

STATE STREET

RBC



BLOCKCHAIN  
CAPITAL

CREDIT SUISSE

BARCLAYS

UBS

BNY MELLON

# THREE TECHNOLOGY EVOLUTIONS OF DISRUPTION



The PC Era  
*Semiconductor Technology*



The Internet Era  
*TCP/IP Protocol*



The Blockchain Era  
*Bitcoin Protocol*



# EXPERIENCED TEAM IN INVESTING

	BART STEPHENS	BRAD STEPHENS	BROCK PIERCE	PAUL STEPHENS
EXPERIENCE	<ul style="list-style-type: none"><li>• Stephens Inv. Mgmt.</li><li>• Ivanhoe Capital</li><li>• E*Trade Group</li><li>• Princeton</li></ul>	<ul style="list-style-type: none"><li>• Stephens Inv. Mgmt.</li><li>• Fidelity Ventures</li><li>• CSFB</li><li>• Furman Selz</li><li>• Duke</li></ul>	<ul style="list-style-type: none"><li>• Chairman of the Bitcoin Foundation Board</li><li>• Founded 15x Startups</li><li>• Raised &gt; \$200M</li><li>• Invested in &gt; 25x Startups</li></ul>	<ul style="list-style-type: none"><li>• Robertson Stephens &amp; Co.</li><li>• RS Investments</li><li>• Duke Endowment</li><li>• UC Berkeley Endowment</li></ul>
RECOGNITION	<p>#2 U.S. Long/Short Hedge Fund*</p> <p>\$500 Million AUM</p> <p>2.5x Venture Fund, 11.5% IRR</p>	<p>Founded 8 crypto currency startups and often referred to as the “father of digital currency”</p>	<p>40 Years in Silicon Valley Investment Management and Banking</p>	

Leaders in Technology Investing

Incubated and Founded Dozens of Startups

100's of Silicon Valley Investments

\*Absolute Return Magazine 2004

# SUCCESSFUL TRACK RECORD OF HOME RUNS

PRIVATE		PUBLIC		
Q RelateIQ	2014	<b>25.0x</b>		2014
	2004	<b>8.1x</b>		2009
	2008	<b>6.9x</b>		2010
	2008	<b>5.0x</b>		2011
	2014	<b>TBD</b>		2007
<b>( 7 IPOs and 13 Acquisitions )</b>		<b>( 17 Public Acquisitions )</b>		

Private and Public Exits through Multiple Market Cycles

# BROCK PIERCE - CHAIR OF THE BITCOIN FOUNDATION

## INDUSTRY LEADER AND SPOKESPERSON



**Singularity  
University**



MILKEN INSTITUTE

**W I R E D**

**CoinSummit**●



## SERIAL ENTREPRENEUR



**IGE** (2001-2007) - **Merged with ItemBay**



**Zam** (2004-2012) - **Sold to TenCent**



**IMI Exchange** (2004-Present)



**Xfire 2.0** (2011-Present)



**Playsino** (2011-Present)



**GoCoin** (payment processor)



**Blade Financial** (Bitcoin debit card)



**Coin Congress** (conference)

Repeat Entrepreneur and Digital Currency Visionary

# PARTNERS AND ADVISORY BOARD

<b>ALISON DAVIS*</b>	Director: Royal Bank of Scotland, XOOM, Fiserv and First Data
<b>MARY CRANSTON</b>	Director: VISA, ex-CEO and Chair of Pillsbury Winthrop
<b>TERRY SCHWAKOPF</b>	EVP: Federal Reserve Bank of San Francisco, banking supervision
<b>MICHAEL MCADAM</b>	CFO: Union Bank (Mitsubishi UFJ Financial Group)
<b>SIMON McNAMARA</b>	CTO: RBS, ex-CIO of Standard Chartered, BNP and Deutsche Bank
<b>VINNY LINGHAM</b>	CEO: Gyft (acquired by First Data)
<b>BOBBY LEE</b>	CEO: BTC China
<b>NICCOLO DE MASI</b>	CEO: Glu Mobile
<b>STEVE BEAUREGARD</b>	CEO: GoCoin
<b>CHRIS PALLOTTA</b>	Special Advisor: MIT Media Lab, Partner: Raptor Capital
<b>MATT OCKO</b>	Partner: Data Collective
<b>WILL O'BRIEN</b>	Co-founder: BitGo
<b>CHARLIE LEE</b>	Coinbase, Founder of Litecoin

\* Chairman of the Advisory Board

Built a robust team of Advisors and LPs from the Blockchain ecosystem

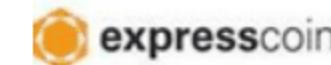
# CRYPTO CURRENCY PARTNERS I, LP



The First Dedicated Bitcoin Venture Fund - 30 Investments, Fully Deployed

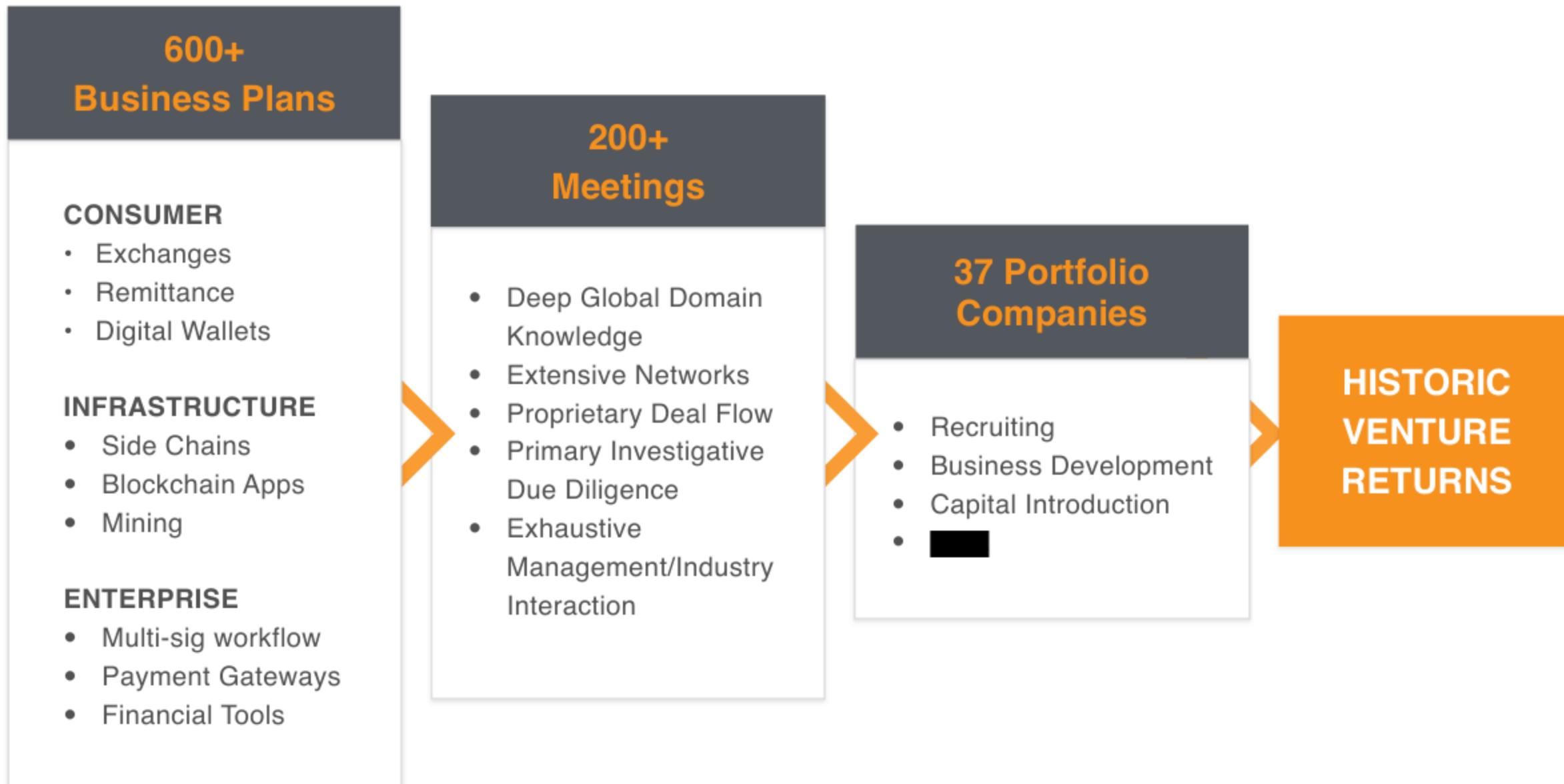
# CRYPTO CURRENCY PARTNERS II, LP

**ABRA**



Current portfolio - both contributed and new investments

# PIPELINE & PROCESS



# ACTIVE BLOCKCHAIN VENTURE INVESTORS



khosla ventures

NEA.

BENCHMARK



greylock  
partners.



HIGHLAND  
CAPITAL PARTNERS

Rabbit Capital



RADAR PARTNERS

ANDREESSEN  
HOROWITZ



PANTERA



Y Combinator



Blockchain Capital has co-invested with these leading VCs



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# CCP II - 8 CONTRIBUTED INVESTMENTS

DATE INVESTED	\$ AMOUNT	DETAILS
BitGo	\$75,000	Series A preferred
Coinsetter	\$50,000	Converted to Series A at 1.5x
expresscoin	\$25,000	Convert to Series A, \$2.5m Cap
GoCoin	\$100,000	Converted to Series A at 4.5x
Kraken	\$70,000	Series A preferred
LedgerX	\$50,000	Series A preferred
BitAccess	\$25,000	Note discounted to Series A preferred
BitNet	\$75,000	Series A Preferred
<b>TOTAL</b>	<b>\$470,000</b>	<b>(current value ~ \$815,000... 1.7x)</b>

General Partners contributed co-investments at cost to CCP II

# CCP II - 12 NEW INVESTMENTS MADE

DATE INVESTED	\$ AMOUNT	DETAILS
PeerNova	\$50,000	Converted to Series A preferred
BlockStream	\$100,000	Series A preferred
ChangeTip	\$250,000	Series A preferred
Bonafide	\$50,000	Note discounted to Series A preferred
BitPesa	\$100,000	Note discounted to Series A preferred
Coinbase	\$200,000	Series C preferred
itBit	\$250,000	Series B preferred
Ripple	\$250,000	Series A preferred
ABRA	\$100,000	Series A preferred
Stem	\$250,000	Note discounted to Series A preferred
Chain	\$250,000	Series C preferred
Gem	\$250,000	Series A preferred
<b>TOTAL</b>	<b>\$2,100,000</b>	

# CCP II - STRATEGY AND MAKE-UP

## EXPOSURE

Diversified Sector-specific

## FUND POSITION ALLOCATION

**50%** New CCP II investments

**30%** Reserves for CCP II follow-on rounds

**20%** Option to use CCP I's follow-on rights

## INVESTMENT STRATEGY

Leverage our network and industry expertise to find investments that utilize Blockchain technologies and help these portfolio companies disrupt legacy industries.

Access to CCP's early seed deals as well as future deals

# CCP II - SUMMARY OF TERMS

FUND TARGET	\$10-15M
TERM	6-8 Years
FEE/INCENTIVE	2.5% / 25%
GP CONTRIBUTION	+5% Fund or +\$1m
INVESTMENTS	25 (\$100k - \$500k per deal)
STRUCTURE	4 x 25% capital calls, BTC Accepted

# CCP II - SERVICE PROVIDERS

ADMINISTRATION / CFO	Kranz & Associates
LEGAL	Sidley Austin
TAX / AUDIT	Crawford Pimintel
BANK	Silicon Valley Bank
CUSTODIAN	Merrill Lynch
BTC VAULT	Xapo & BitGo

# USE CASES FOR BLOCKCHAIN TECHNOLOGY

## Financial and Records

**Bitcoin**      Private Equities      Bonds      Public Equities  
  
Shareholder Voting      Remittance      Crowd-funding  
  
Spending Records      Micro-payments      Commodities  
  
Trading Records      Derivatives      Mortgage/loan records  
  
Digital Coupons      Servicing records      Micro-charity

## Legal / Health / Education

Smart Contracts      Signatures/identity      Degrees  
  
Wills      Genome data      Trusts      Licensing  
  
Medical Records      Escrows      Delivery records  
  
Arbitration      Grades      Patents      Copyrights  
  
Certifications      Academic Credits

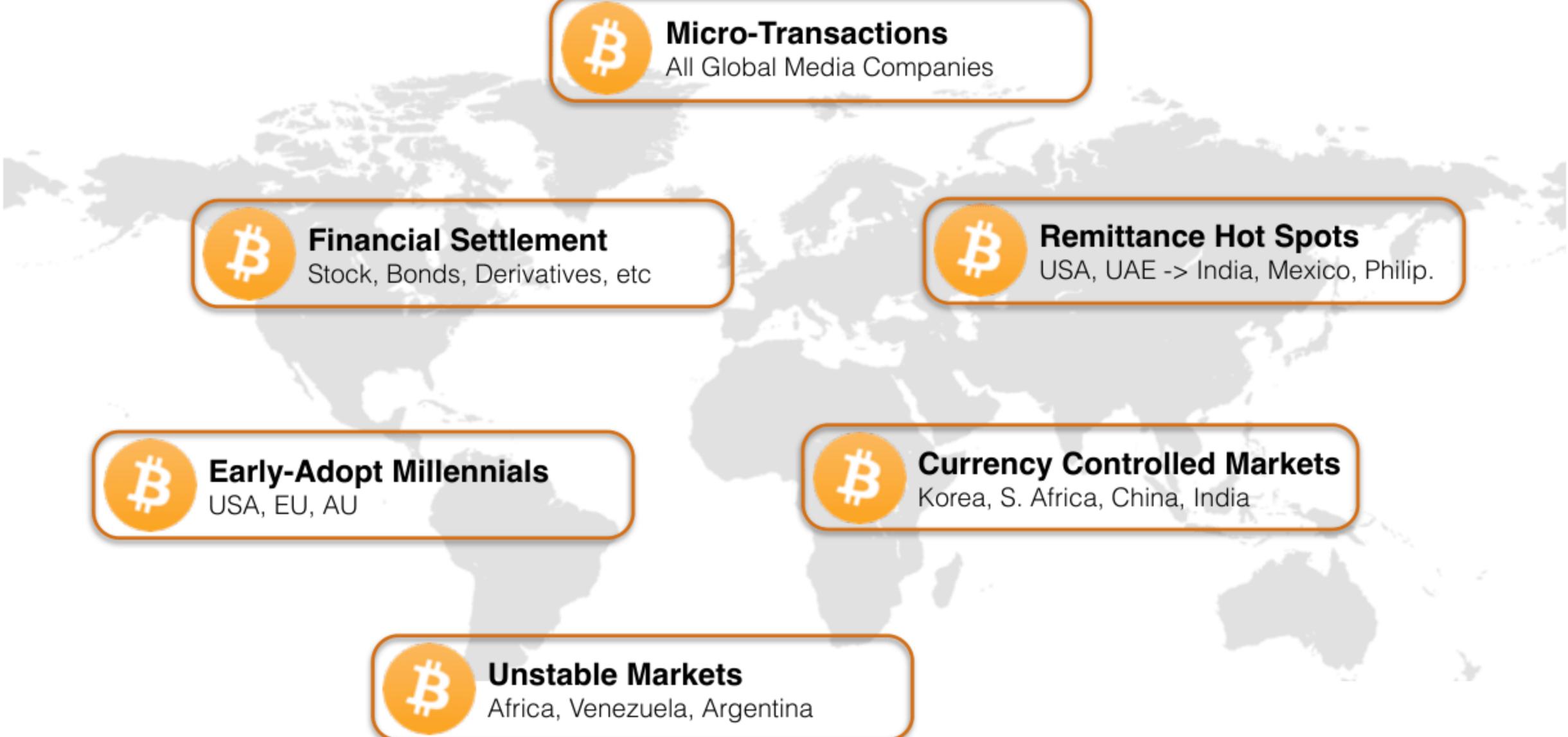
## Public Records

Land titles      Birth certificates      Vehicle registries  
  
Business license      Business Incorporation/dissolution  
  
Business Ownership records      Regulatory records  
  
Criminal records      Passports      Death certificates  
  
Voter IDs      Building permits      Health/safety inspections  
  
Non-profit records      Court records      Gun permits      Voting

## Commercial / Media

HR Records      Supply chain mgmt      Accounting records  
  
Business transaction records      Software licenses  
  
Trademarks      Spam Filters      Hotel room keys  
  
Global trade network      Loyalty Points      Vouchers  
  
Domain names      Betting records      Movie Tickets  
  
DRM: Music/movie/book license      GPS network identity

# OPPORTUNITIES FOR BLOCKCHAIN ADOPTION



# INDUSTRY GROWTH: 2014 to 2015

## Key Bitcoin Adoption Metrics

	Quarterly				Year Ago	
	June-15	March-15	Q2/Q1Δ	Q1/Q4Δ	June-14	Δ
<b>Commerce</b>						
Wallets	9,345,510	8,457,207	11%	14%	5,467,263	2x
Merchants	100,000	88,000	14%	7%	65,640	2x
Merchants' annual revenue (\$bn)	187	187	0%	4%	30	6x
ATMs	426	374	14%	9%	126	3x
Unique bitcoin addresses	261,770	203,189	29%	29%	136,152	2x
<b>Industry</b>						
All-time VC investment (\$m)	\$832	\$687	21%	50%	\$252	3x
Number of VC-backed startups	113	105	8%	15%	58	2x
<b>Media</b>						
Mainstream media mentions	371	458	-19%	-10%	1035	-64%
<b>Technology</b>						
Network hash rate (billion/second)	351,177,610	346,028,956	1%	11%	104,506,281	3x
<b>Valuation</b>						
Bitcoin market capitalization (\$bn)	\$3.8	\$3.4	11%	-22%	\$8.0	-53%

Data sources and notes: CoinDesk, [Blockchain.info](#), [BitcoinPulse](#), [Github](#), [Coin ATM Radar](#). Figures are cumulative from start of records, except unique bitcoin addresses and media mentions, which are figures for the quarter ending that month. Number of VC-backed startups and VC investment unadjusted for closed companies: Melotic, Buttercoin, BitInstant, and TradeHill.

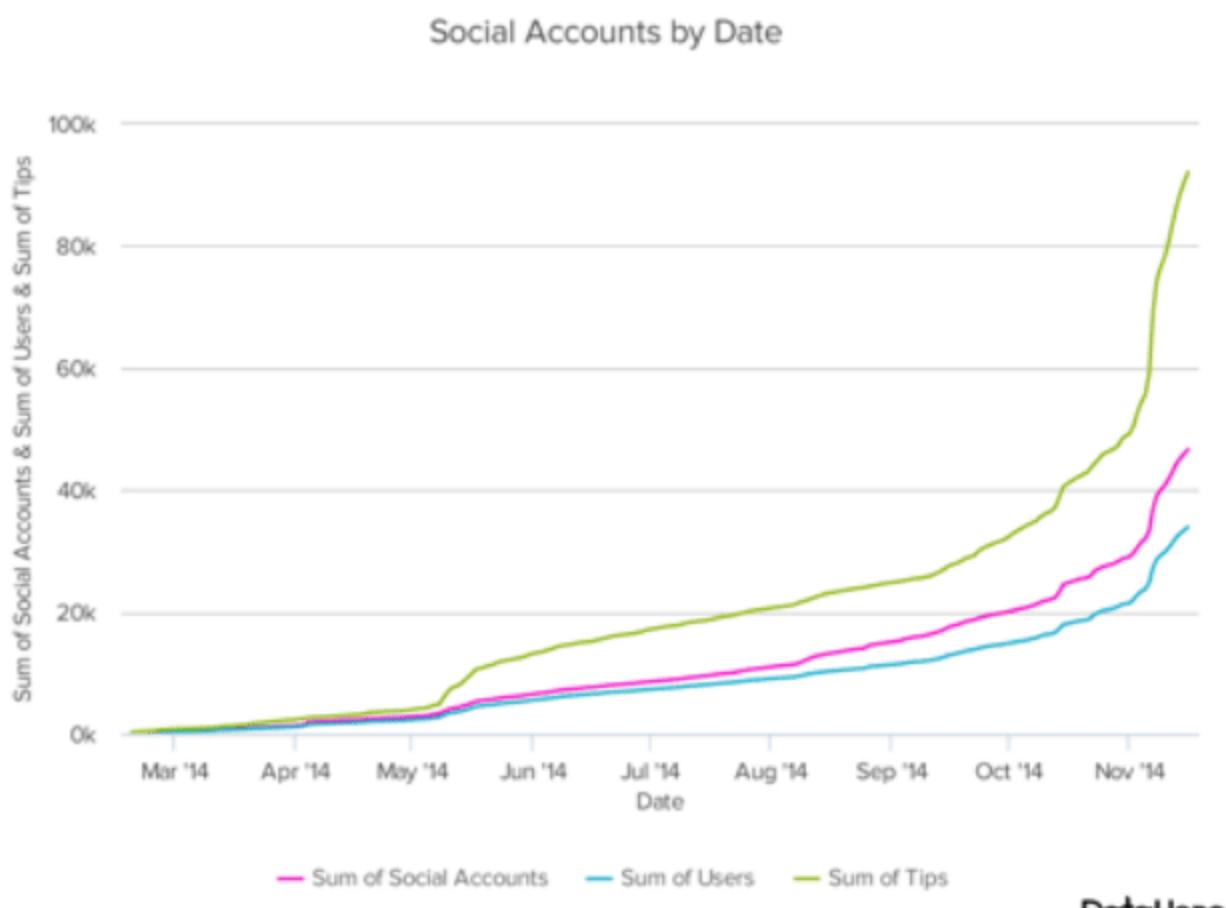
# CASE STUDY: ChangeTip

ChangeTip enables a “tipping” feature using Bitcoin on other companies’ websites. It has built a Bitcoin micropayment platform that is currently integrated with Twitter, GitHub, Reddit, Google+, Tumblr, and YouTube.

We believe that ChangeTip’s micro transaction platform is poised to be the financial equivalent of the “Like” button, and enabling new mechanisms for premium online content to be monetized.

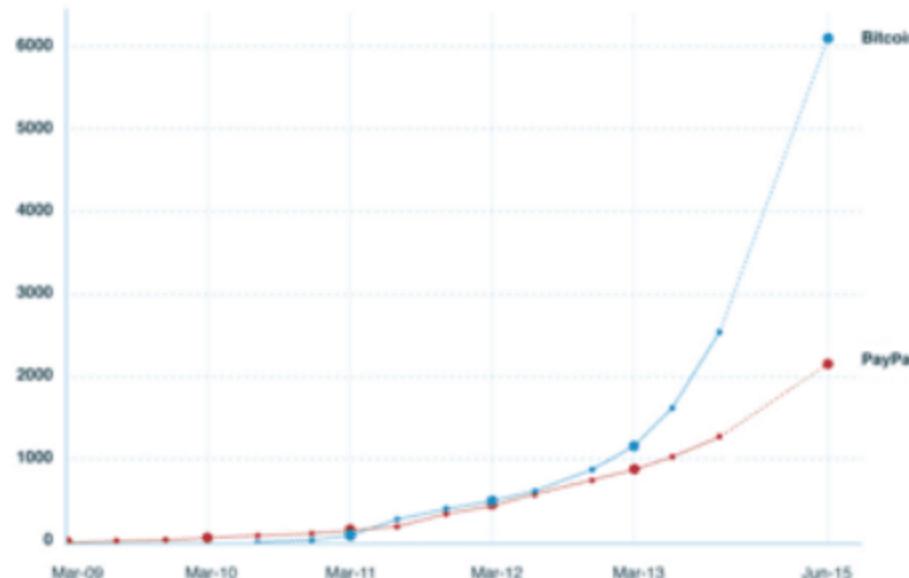


**ChangeTip**



# HYPER-GROWTH- 2013 to 2015

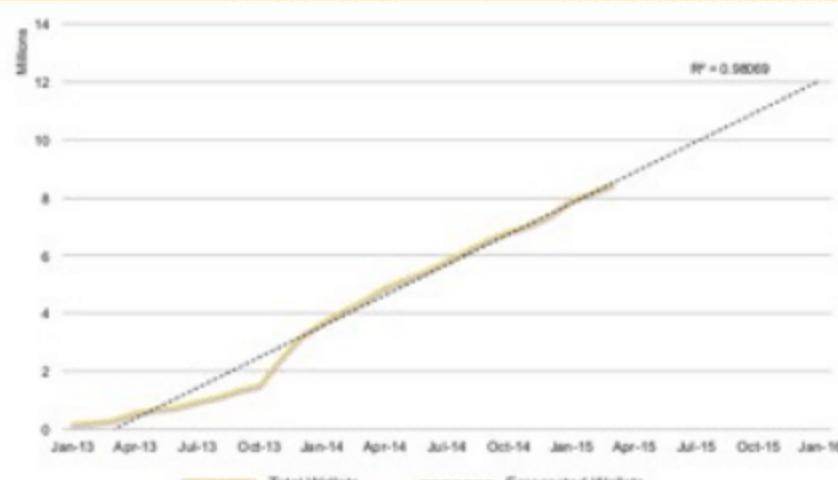
Github repository references



Number of daily bitcoin transactions



Forecast for Total Bitcoin Wallets by End of 2015  
Maintained at 12 million



Data Sources and notes: total wallets based on data from [Blockchain.info](#), Andreas Schildbach (Android Bitcoin Wallet developer). Historical Combase data provided by [BlockData](#).

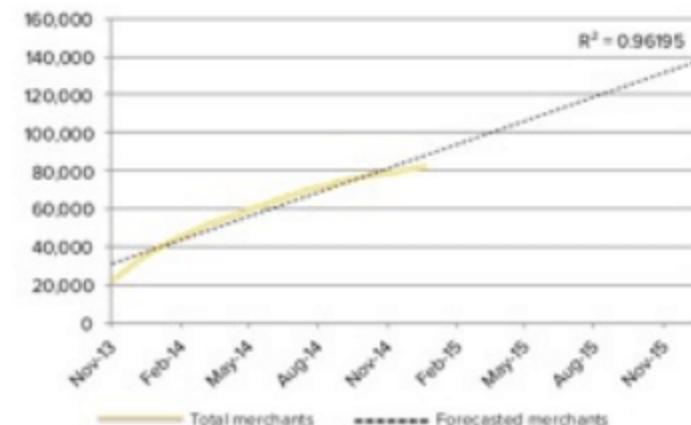
State of Bitcoin Q1 2015

CoinDesk

Sponsored by Gem

53

140,000 Bitcoin-Accepting Merchants  
Forecast by End of 2015



Sources and notes: total current merchants based on data from [Coinbase](#) and [BitPay](#). Historical Combase data provided by [BlockData](#). BitPay historical data between new merchant press release announcements of 10,000 (9th Sep 2013), 20,000 (3rd Jan 2014) and 30,000 (28th May 2014), respectively, circled using linear interpolation.

State of Bitcoin 2015

CoinDesk

45

# SUMMARY



**BLOCKCHAIN**  
CAPITAL

FIRST DEDICATED BITCOIN VENTURE FUND

UNPARALLELED ACCESS TO DEAL-FLOW

PROVEN TRACK RECORDS

Building the Future Leaders in the Blockchain Economy