

BITCOIN NOW  
TRADING AT \$575

SEPTEMBER 2016

# CRYPTO CHRONICLE



FOUR

RIVAL

INTERNATIONAL  
BIG BANKS PUSH  
NEW DIGITAL  
CURRENCY TO  
BITCOIN SUPREMACY

**Swiss bank UBS (UBSG.S) is leading a team of four of the world's biggest banks developing a system to enable financial markets to make payments and settle transactions quickly using blockchain technology .**

UBS has developed a "Utility Settlement Coin" (USC), which is a digital cash equivalent of each of the major currencies backed by central banks, such as the dollar or euro, rather than a decentralized new digital currency such as bitcoin.

The USC would be convertible at parity with a bank deposit in the corresponding currency, making it fully backed by cash assets at a central bank. Spending a USC would be the same as spending the real currency it is paired with, UBS said.

***Blockchain projects such as this have the potential to shake up the settlement system used by banks, under which transactions can take several days to finalize and which costs the financial industry \$65-\$80 billion a year.***

The World Economic Forum said in a report released in July 2016 that more than 90 central banks are discussing the use of blockchain, and estimated that 80% of the world's commercial banks would have initiated projects using the technology by 2017.

Changes are approaching ! SEE PAGE 4



**PNLTFA**

established in 1989

PRODUCED BY THE PNLTF A DIGITAL CURRENCY COMMITTEE BASIS FOR MEMBERS OF THE ASSOCIATION. THE DIGITAL CURRENCY TEAM CONSIST OF RON BROSLEY, DOUGLAS HANSON, GLENNA TROUT, LISA JOHNSON AND JOHN BISHOP.



**Picture this: A thief steals millions of dollars by hacking into an investment fund. What if you could just hit the undo button and get that money back?**

That was the dilemma that the creators of Ethereum, an upstart digital currency platform, recently faced.

Founded in 2015 by a group of researchers led by Russian-Canadian Vitalik Buterin — then only 19 years old — its currency, ether, is the **second-most valuable digital currency after bitcoin.**

But the currency suffered a blow recently after a hacker siphoned **\$64 million** worth of ether from investors. In the wake of the hack, Buterin decided to turn back the clock through a software update and reset the entire system to its previous state — i.e., before the hack. The reset created a so-called hard fork, which split Ethereum into two parallel systems.

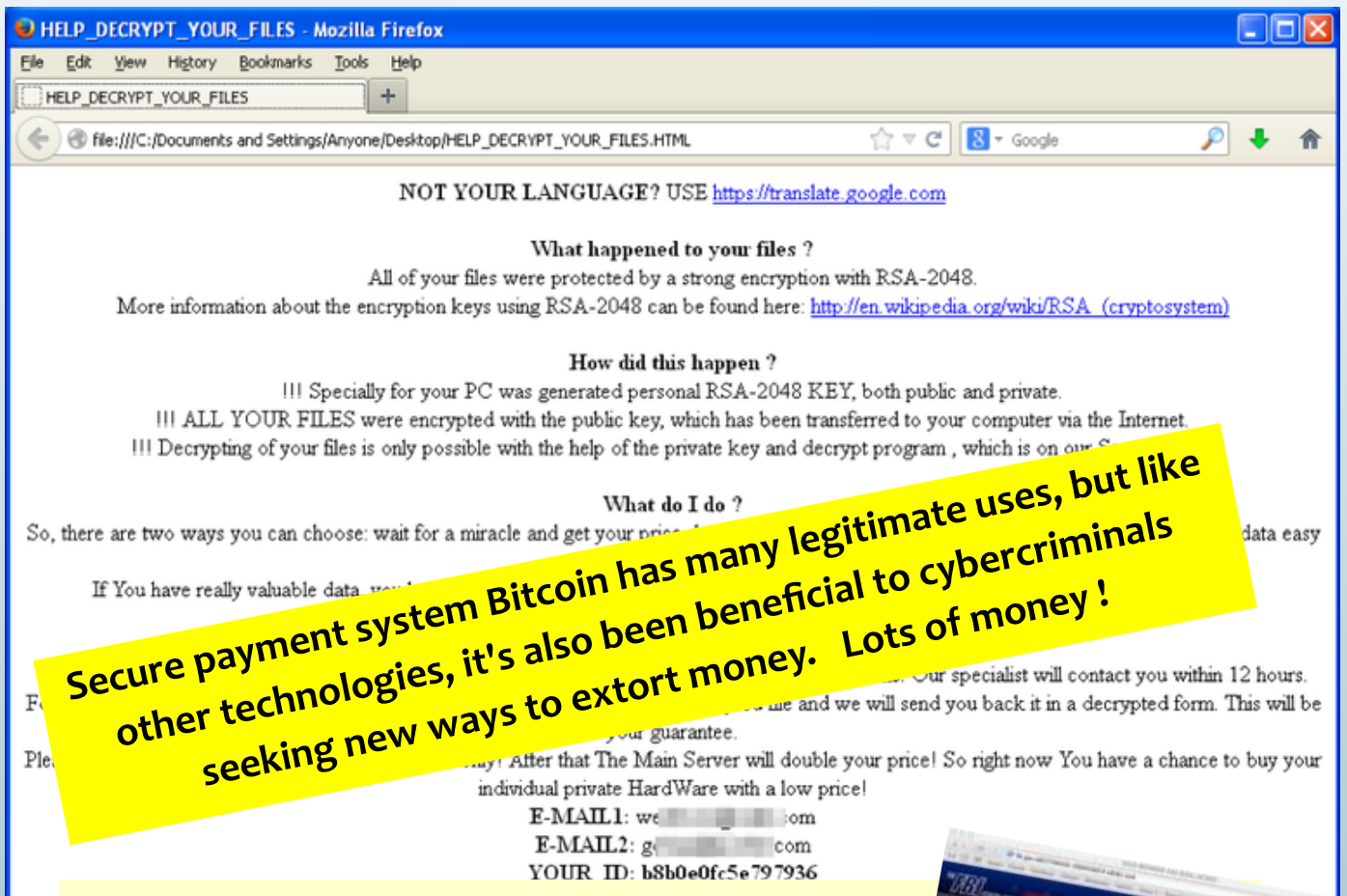
**A 2015 digital security survey found that 71% of businesses, admit that they fell victim to a successful cyber attack in the prior year.**

While bitcoin is the best-known cryptocurrency, there are, in fact, hundreds of digital, decentralized payment systems that issue and trade digital currencies online.

Each operates on a blockchain, digital ledger that keeps track of all transactions in transparent, peer-to-peer fashion.

**‘Fraud is Fraud no matter how you slice it’**





**RANSOMWARE IS BOOMING.  
 RANSOM DEMANDS ARE TYPICALLY MADE IN BITCOIN.**

Details of the above article and graphics were first published in August 2016. Background information and the ransomware guide are available at <http://www.zdnet.com/article/how-bitcoin-helped-fuel-an-explosion-in-ransomware-attacks/>



**There's more about hacking recently.** A hacking collective calling itself 'Shadow Brokers' claims to have hacked an NSA affiliate and obtained a set of US government spying and surveillance tools – which it is now willing to auction off for at least half a billion dollars in (yes you guessed it ! ) . . . . Bitcoin.

The self titled 'Shadow Brokers' collective released “samples” of the files the group said belonged to the Equation Group, believed to be a National Security Agency's (NSA) affiliate.



The PNLTFA Digital Currency Team produce a monthly Crypto Chronicle for members, and maintains a library of media articles featuring bitcoin and other crypto currencies.