

Sun City Summerlin Investment Club

Blockchain and Cryptocurrency Presentation

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OUR AREA OF EXPERTISE

- **Finance:** Financial Modeling, Investment Strategies, and Business Planning.
- **Accounting:** Bookkeeping, Payroll Services, and Business Formation.
- **Crypto:** Crypto Advisory, and Investment Guidance.
- **Tax:** Tax Preparation and Planning.

Jean Pierre Sfeir is the Founder and CEO of **FACT Advisors**, bringing over 15 years of international experience in strategic finance. He specializes in financial management, investment strategy, blockchain & crypto and financing large projects. Jean Pierre currently leads the financial operations for more than 80 companies across various industries, including technology, real estate, hospitality, construction, entertainment, and investment.

With a strong ability to secure business and investment loans, Jean Pierre has successfully obtained over \$300 million in funding. He is also leading the financial strategy for the development of the first AI hotel in Las Vegas. Known for his expertise in driving profitability, improving financial operations, and implementing cost-saving measures, Jean Pierre continues to build innovative solutions for businesses seeking financial growth.

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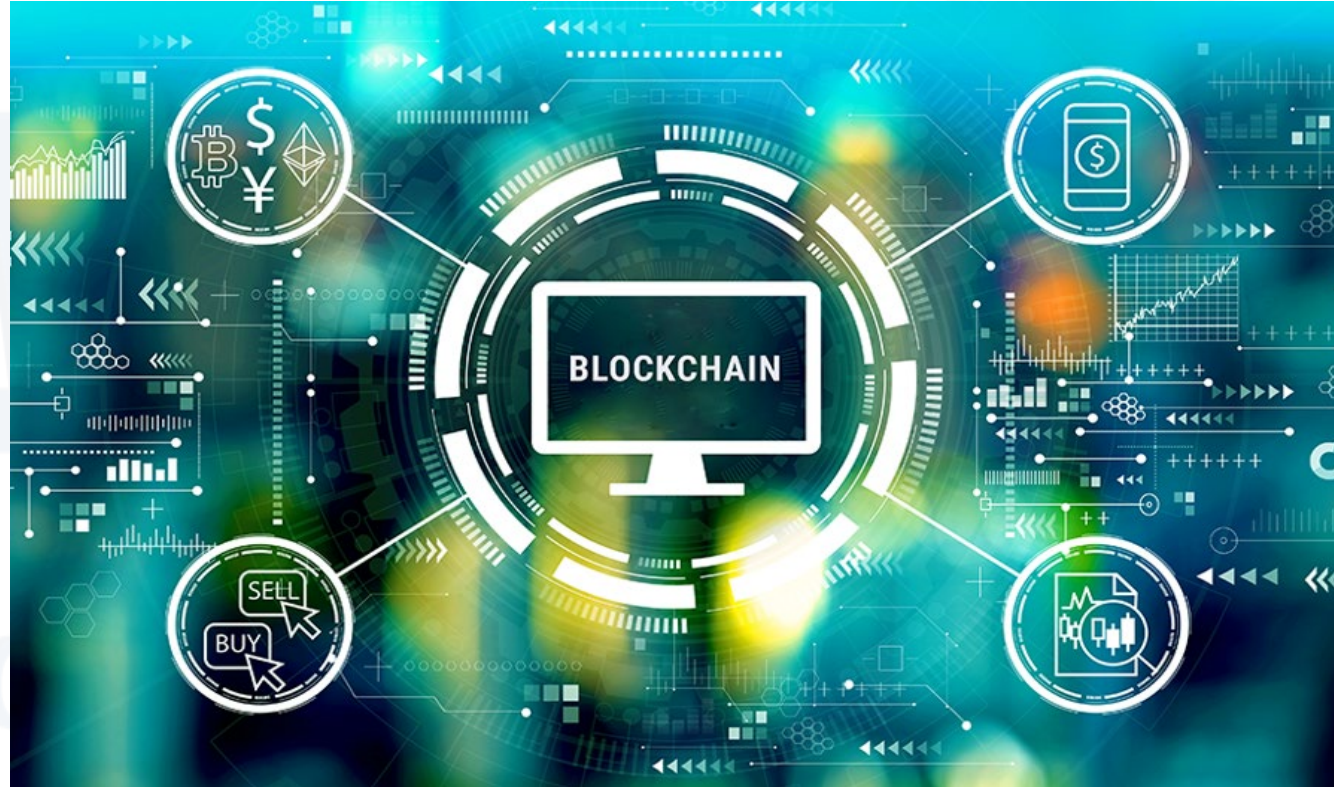
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Introduction to Blockchain

What is Blockchain?

Blockchain is a **decentralized digital ledger** that records transactions across a network of computers in a secure, transparent, and tamper-resistant way.

Instead of one central authority (like a bank or government) controlling records, blockchain distributes information across many computers (called **nodes**).



How It Works

1. Transaction Occurs

Someone sends digital value (like cryptocurrency, data, or a contract).

2. Transaction Is Verified

Network participants validate the transaction using cryptography.

3. Block Is Created

Verified transactions are grouped into a “block.”

4. Block Is Added to the Chain

Each block connects to the previous one using a cryptographic hash.

5. Permanent Record

Once added, it cannot easily be changed.

Key Features

1. Decentralization

No single authority controls the system.

2. Transparency

Transactions are visible to participants.

3. Immutability

Once recorded, data cannot easily be altered.

4. Security

Uses advanced cryptography and consensus mechanisms.

Real-World Example

The first major blockchain application was **Bitcoin** (launched in 2009).

Today blockchain powers:

- Cryptocurrencies like **Ethereum**
- Smart contracts
- NFTs
- Supply chain tracking
- Decentralized finance (DeFi)
- Digital identity systems

What Are Smart Contracts?

On platforms like **Ethereum**, developers can create **smart contracts** — self-executing agreements that automatically run when conditions are met.

Example:

- If payment is received → release digital asset automatically.

No lawyer or required.
intermediary

Types of Blockchains

- 1. Public Blockchain**
Open to everyone (Bitcoin, Ethereum)
- 2. Private Blockchain**
Controlled by one organization.
- 3. Consortium Blockchain**
Controlled by a group of organizations.

Why Blockchain Matters (Especially in Finance & Business)

- Faster cross-border payments
- Reduced Fraud Risk
- Transparent audit trails
- Tokenization of real estate & assets
- Automated compliance systems
- Smart contract-based factoring & lending

Simple Analogy

Think of blockchain like a Google Sheet shared with thousands of people. Everyone can see it, nobody can secretly change it, and every update is permanently recorded.

1 What Is Blockchain?

A **blockchain** is a **digital ledger** that records transactions across many computers in a secure, transparent, and tamper-resistant way.

Think of it as:

A shared Google Sheet that no one controls, everyone can verify, and no one can secretly edit.

2 The Basic Structure

A blockchain is made of:

Blocks

Each block contains:

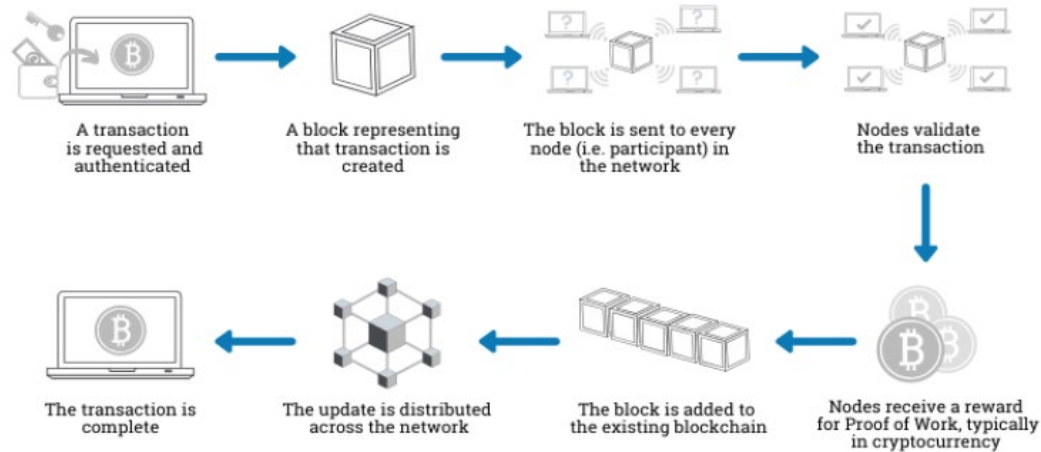
- A list of transactions
- A timestamp
- A **hash** (digital fingerprint)
- The **previous block's hash**

Hash

A hash is:

- A unique cryptographic code
- Generated from the block's data
- If data changes → hash changes
- That's what makes it secure.

How does a transaction get into the blockchain?



3 Step-by-Step: How a Transaction Works

Let's say you send 1 Bitcoin.

Step 1: Transaction Created

You initiate a transaction (send crypto to someone).

Step 2: Broadcast to Network

The transaction is sent to thousands of computers (called **nodes**).

Step 3: Validation

Nodes verify:

- Do you have enough funds?
- Is your digital signature valid?

Step 4: Block Formation

Verified transactions are grouped into a block.

Step 5: Consensus Mechanism


The network agrees the block is valid using mechanisms like:

Proof of Work (PoW)

Proof of Stake (PoS)

Step 6: Block Added to Chain

The block is linked to previous blocks permanently.

Transaction complete 

4 Why Blockchain Is Secure

- ◆ **Decentralized** – No single authority
- ◆ **Immutable** – Cannot change past records
- ◆ **Transparent** – Anyone can verify
- ◆ **Cryptographically secured**

To hack it, someone would need to control:

- 51% of the entire network
- And rewrite all following blocks







Which is nearly impossible on large chains

5 Public vs Private Blockchains

Type	Example	Who Can Join
Public	Bitcoin	Anyone
Public	Ethereum	Anyone
Private	Enterprise blockchain	Invitation only

6 Real-World Uses Beyond Crypto

Blockchain is used for:

-  Payments
-  Smart contracts
-  Decentralized Finance (DeFi)
-  Supply chain tracking
-  Voting systems
-  Medical records

7 How Smart Contracts Work

A smart contract is:

Code stored on blockchain that executes automatically when conditions are met.

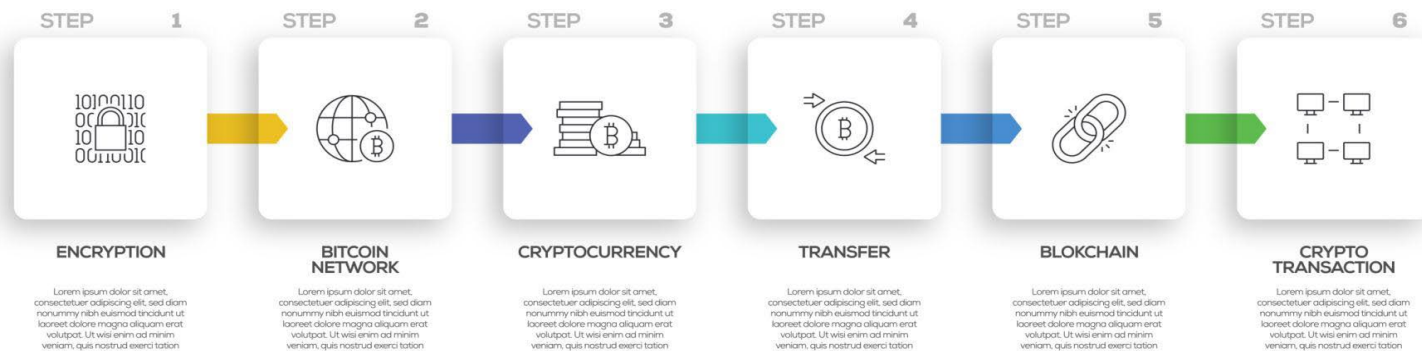
Example:

- If payment received → release ownership
- If date reached → transfer funds

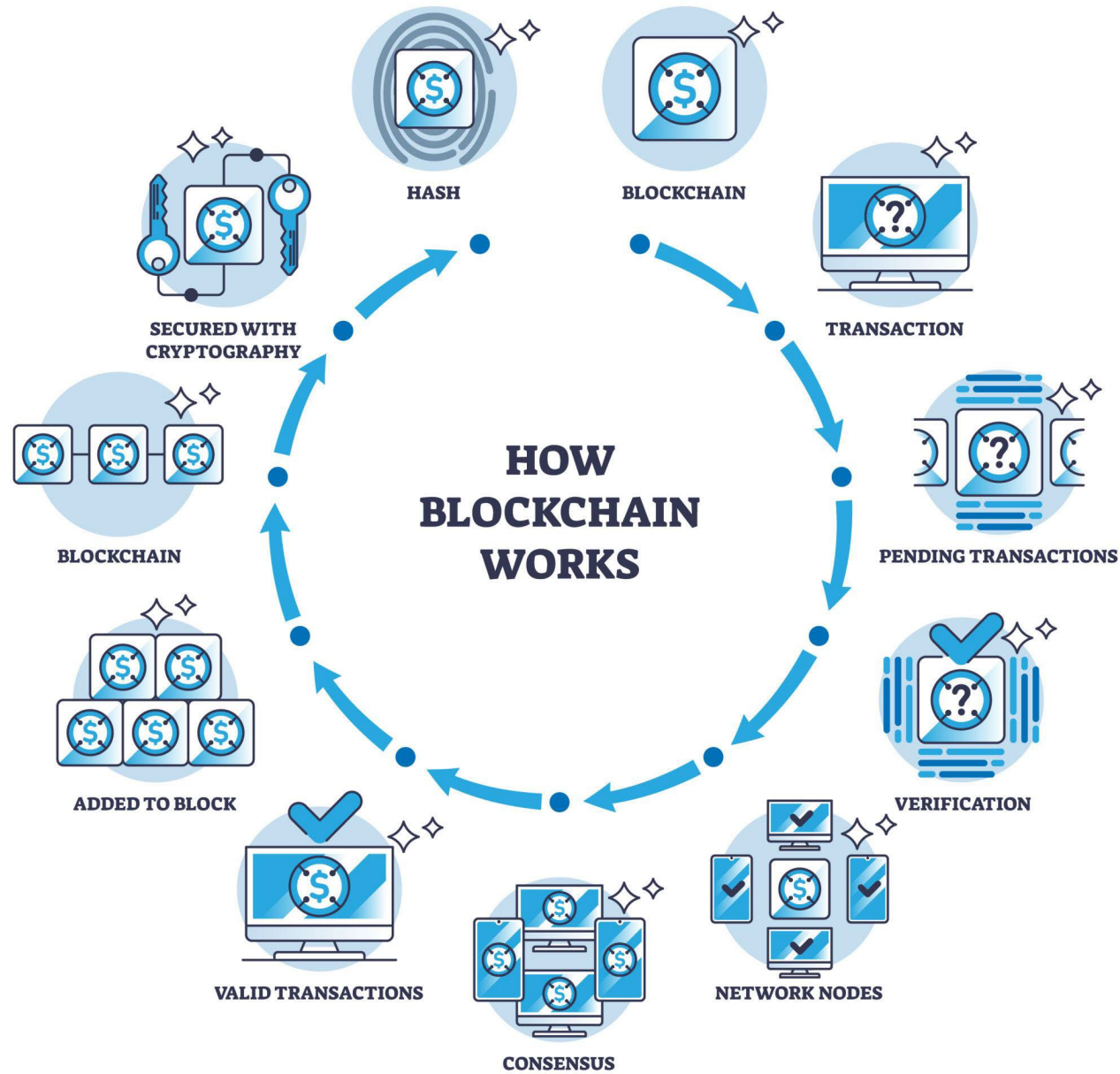
No middleman needed.

8 Visual Flow of Blockchain

➔ BLOCK CHAIN INFOGRAPHIC TEMPLATE



FAC
Innovative



📍 Simple Analogy

Blockchain is like:

A notebook copied thousands of times across the world.

Every time a new page is added, everyone updates their copy.

If someone cheats, the other copies reject it.

📍 Why It Matters (Business Perspective)

Since you're involved in finance and advisory work, blockchain matters because it:

- Reduces fraud risk
- Eliminates intermediaries
- Speeds up cross-border payments
- Creates new asset classes (tokenization)
- Enables transparent auditing

It's basically **programmable trust**.



💰 Cryptocurrency Explained

1 What Is Cryptocurrency?

A **cryptocurrency** is a **digital form of money** that exists only online and is secured by cryptography.

Unlike traditional money (USD, EUR), cryptocurrencies are:

- Not controlled by a central bank
- Built on decentralized networks
- Recorded on something called a **blockchain**

The first and most famous cryptocurrency is **Bitcoin**, created in 2009.

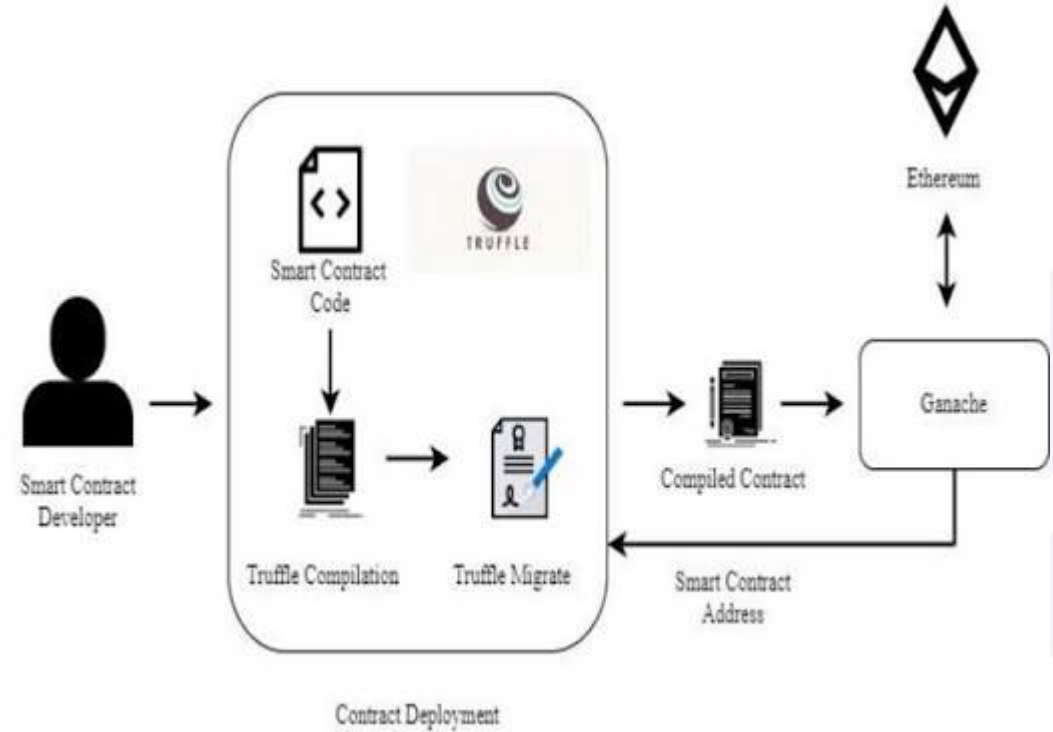
🌐 Popular Cryptocurrencies

🔴 Bitcoin (BTC)

- First cryptocurrency
- Often called “digital gold”
- Limited supply (21 million coins)



Ethereum (ETH)



- Enables **smart contracts**
- Powers decentralized apps (DApps)
- Foundation for many tokens and NFTs

Tether (USDT)

- A **stablecoin**
- Pegged to the US dollar
- Used heavily in trading

Key Concepts

Wallet

Stores your crypto keys, not the coins themselves.

Types:

- Hot wallets (online)
- Cold wallets (offline, hardware)

Mining

Used mainly by Bitcoin:

- Computers solve complex math problems
- Secure the network
- Earn rewards

Smart Contracts

Used mainly on Ethereum:

- Self-executing contracts
- No lawyer or bank required
- Automatically enforce rules

Why Do People Use Crypto?

- Investment/speculation
- International transfers
- Hedge against inflation
- Decentralized finance (DeFi)
- Privacy

Risks

- High volatility
- Regulatory uncertainty
- Hacks/scams
- Private key loss = permanent loss

Crypto vs Traditional Banking

Crypto	Traditional Bank
Decentralized	Centralized
24/7 access	Banking hours
Global	Country-based

In One Sentence

Cryptocurrency is **digital, decentralized money secured by blockchain technology**, allowing peer-to-peer transactions without banks.

Cryptocurrency Market & Ecosystem

The crypto ecosystem is much bigger than just buying coins. It's a **global financial infrastructure layer** built on blockchain.

1 The Crypto Market Structure

The market is typically divided into:

Layer 1 Blockchains

Core networks like:

- **Bitcoin**
- **Ethereum**
- **Solana**

They provide the base infrastructure.

Layer 2 Solutions

Built on top of Layer 1 to improve speed & lower fees:

- **Polygon**
- **Arbitrum**

Tokens

Built on blockchains:

- Utility tokens
- Governance tokens
- Stablecoins like **USD Coin**

2 Key Ecosystem Participants

◆ Centralized Exchanges (CEX)



Examples:

- **Binance**
- **Coinbase**

They:

- Custody funds
- Match buyers & sellers
- Offer fiat on ramps



◆ **Decentralized Exchanges (DEX)**

- No intermediary
- Wallet-to-wallet trading
- Smart contract-based

Example:

- **Uniswap**
- **Phantom**
- **Solflare**
- **Exodus**

◆ **Institutional Players**

- Hedge funds
- ETFs
- Banks offering crypto custody
- Public companies holding BTC

Example:

- **BlackRock** launching spot Bitcoin ETFs

3 Major Sectors Within Crypto

DeFi (Decentralized Finance)

- Lending
- Borrowing
- Yield farming
- Liquidity pools

Runs mostly on **Ethereum**

NFTs (Digital Ownership)

- Digital art
- Gaming assets
- Intellectual property

Built largely on Ethereum & Solana

Stablecoins

Examples:

- **Tether**
- **USD Coin**

Used for:

- Trading pairs
- Cross-border transfers
- DeFi collateral

Web3 & Gaming

- Play-to-earn models
- Digital identity
- Metaverse ecosystems

Market Drivers

The crypto market is influenced by:

- Regulation (SEC, global laws)
- ETF approvals
- Institutional adoption
- Interest rates
- Bitcoin halving cycles
- Macroeconomic conditions

How Money Flows in the Ecosystem

1. Investors deposit fiat → CEX
2. Buy crypto → Transfer to wallet
3. Use in DeFi / stake / trade
4. Convert back to fiat

Capital rotates between:

- BTC
- ETH
- Altcoins
- Stablecoins

Regulation & Compliance

Major themes:

- KYC/AML enforcement
- Tax reporting
- Stablecoin regulation
- Securities classification

In the U.S., exchanges face oversight from agencies like the SEC & CFTC.

Market Cycles

Crypto historically moves in cycles:

1. Accumulation
2. Bull market
3. Euphoria
4. Crash
5. Consolidation

Often correlated with Bitcoin halving events.

Cryptocurrency: Risks, Regulation & The Future

The crypto market is evolving fast — but it carries **serious risks, complex regulations, and transformative potential**.

Let's break it down clearly.

1 Major Risks in Crypto

Market Risk (Volatility)

- 10–20% daily swings are common
- 70–80% drawdowns have happened historically
- Highly sentiment-driven

Even large assets like **Bitcoin** and **Ethereum** are volatile compared to traditional markets.

Regulatory Risk

Governments can:

- Restrict exchanges
- Ban certain tokens
- Classify tokens as securities
- Increase reporting requirements

In the U.S., agencies involved include:

- **U.S. Securities and Exchange Commission**
- **Commodity Futures Trading Commission**
- **Internal Revenue Service**

Regulatory shifts can dramatically impact prices.

Stablecoin Risk

Stablecoins like:

- **Tether**
- **USD Coin**

Face risks around:

- Reserve transparency
- Bank exposure
- Regulatory classification

Security Risk

- Exchange hacks
- Smart contract bugs
- Private key loss
- Phishing scams

If you lose your private keys:

There is no customer service to call.

Counterparty Risk

Events like the collapse of:

- **FTX**

Showed the danger of centralized custody.

“Not your keys, not your coins” became a major theme.

2 Global Regulatory Landscape

United States

Key issues:

- Security vs commodity classification
- Exchange registration requirements
- Crypto ETF approvals
- Stablecoin legislation

Spot Bitcoin ETFs approved through firms like **BlackRock** changed institutional access significantly.

EU Europe

The EU introduced:

- MiCA (Markets in Crypto-Assets Regulation)

Providing clearer compliance frameworks.

Global Trend

Countries are moving from:

“Ban it” to “Regulate and tax it”.

3 Tax & Compliance (Critical Area)

Crypto is typically treated as:

- Property (U.S.)
- Subject to capital gains
- Taxable on trades, staking, mining, and payments

Reporting includes:

- 1099 forms (exchange issued)
- Wallet tracking
- DeFi transaction analysis

For advisors, this is a major growth sector in compliance and audit defense.

4 The Future of Crypto

Institutional Adoption

- ETFs
- Bank custody services
- Corporate treasury allocation

Crypto is increasingly integrated into traditional finance.

Tokenization of Assets

Future trend:

- Tokenized real estate
- Tokenized stocks
- On-chain bonds

This could reshape capital markets.

Central Bank Digital Currencies (CBDCs)

Governments exploring:

- Digital dollars
- Digital euros
- State-controlled blockchain systems

Competing with decentralized crypto.

Web3 & Infrastructure

Blockchain expanding into:

- Identity verification
- Supply chains
- Cross-border settlements

 **Long-Term Outlook**

Crypto is likely to evolve into:

- Regulated exchanges
- Transparent stablecoins
- Institutional-grade custody
- Clear tax frameworks
- More global interoperability

The “wild west” phase is gradually being replaced by structured integration.

 **Bottom Line**

Crypto’s future depends on:

- Regulatory clarity
- Institutional adoption
- Technological scalability
- Trust & security

High risk. High innovation. High transformation potential.

FACT ADVISORS

Q&A

Innovative Financial Strategies

