Hivemind is Valuable

v0.3 – 7/31/2014

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This Deck: Private, Not Public, Value

- **Public** (Not the focus here):
  – Second Scientific Revolution / Utopia.
  – P2P Financial Derivative-Portfolios
  – Can prove true-unorthodox-beliefs (and converse).
  – Prevent CEOs/Politicians from lying.
  – Recreational speculation (sports, gambling, "fun", etc).
  – (All ultra-cheap, no arbitrary limits, software-efficient).

- **Private**: What **return** is available to owners (investors, volunteer-programmers)?
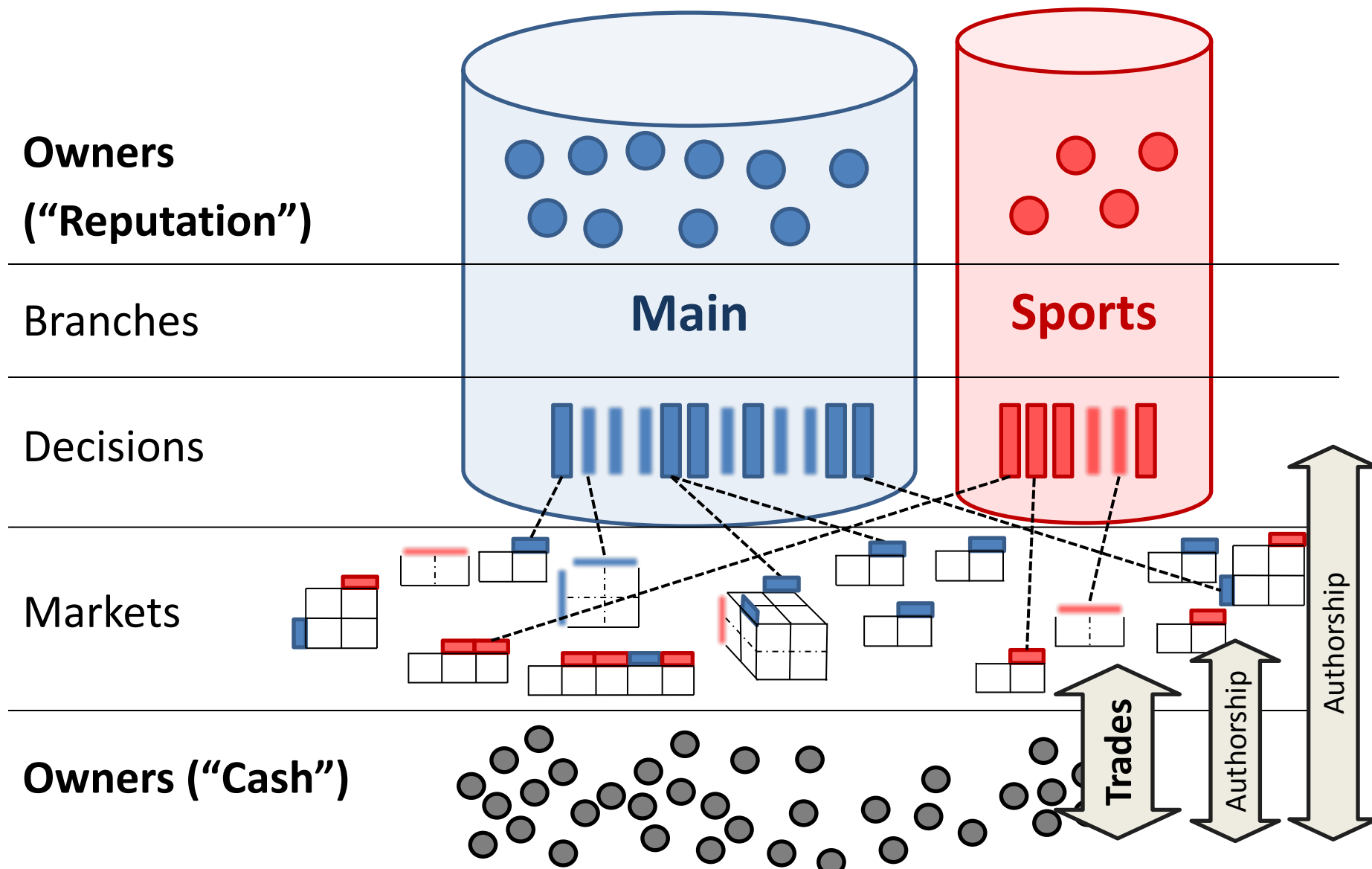
Overview

1. "What produces the return?" (4 slides)

   1. Not the alt-coin itself (giving that away).

   2. Instead, Trading Volumes (fees).

   3. Collected by Branch-owners.

2. Robustness to Competition (1 slide).

3. Possibilities (3 slides).

4. "Can it be done?" (1 slide).

Conclusion Slide: Current Needs
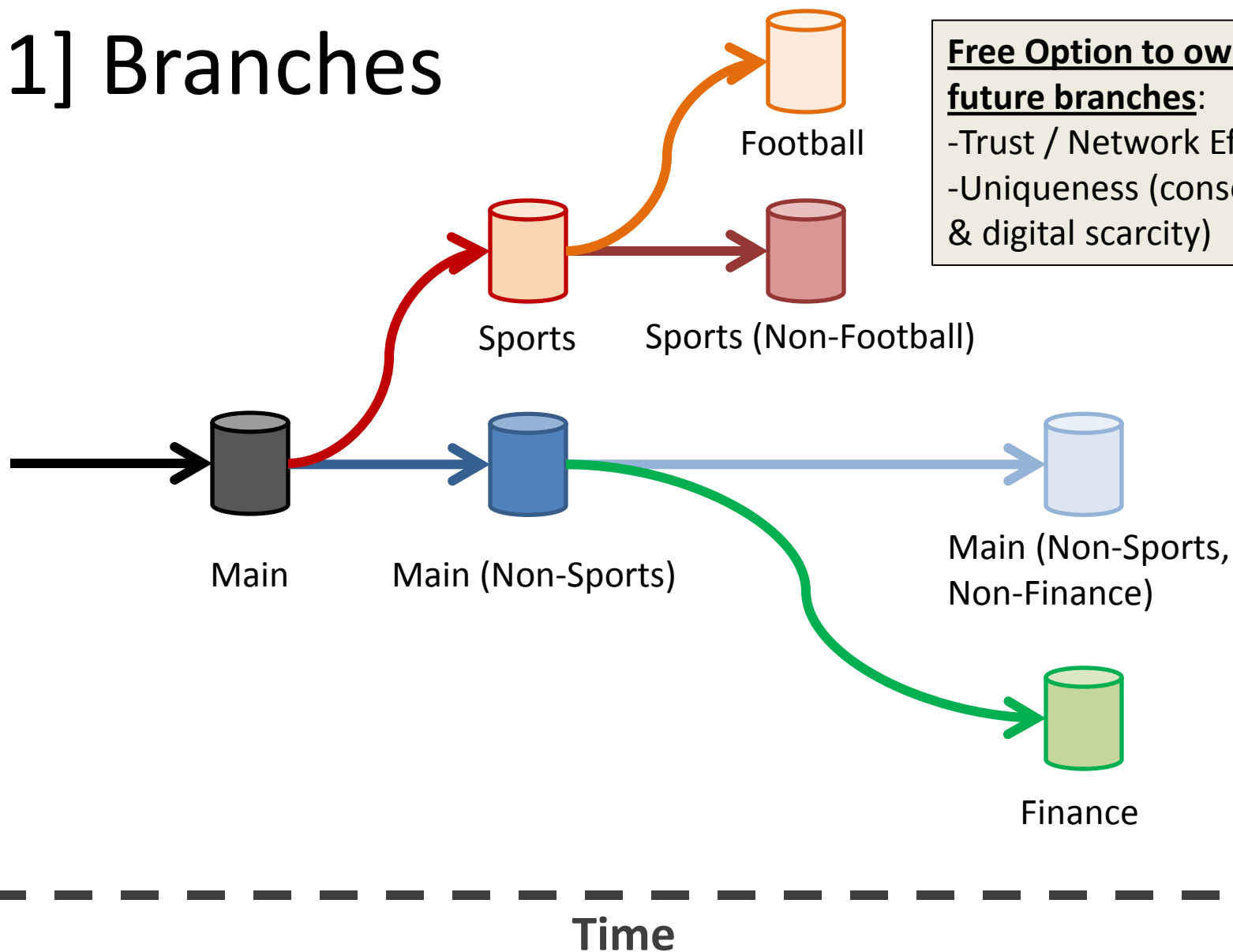
[1] Where's that return coming from?

- Truthcoin has TWO coins – "Cash" and "Reputation".

- <u>Use Coin 2</u> ("Reputation") to reward contributors, and provide Return.

- (Give 100% of "Cash" to Bitcoin-owners).
  - It's the "best bad idea".
  - Greatest marketing possible.
  - Only unique solution (non-arbitrary).
  - Sidechains may force this anyway.
  - Kind of "scammy" not to do this.
  - Can do this in two phases ("testing phase" and "launch phase").

[1] Truthcoin Graphic

[1] Branches

Football

Sports

Sports (Non-Football)

Free Option to own future branches:
-Trust / Network Effect
-Uniqueness (consensus & digital scarcity)

Main

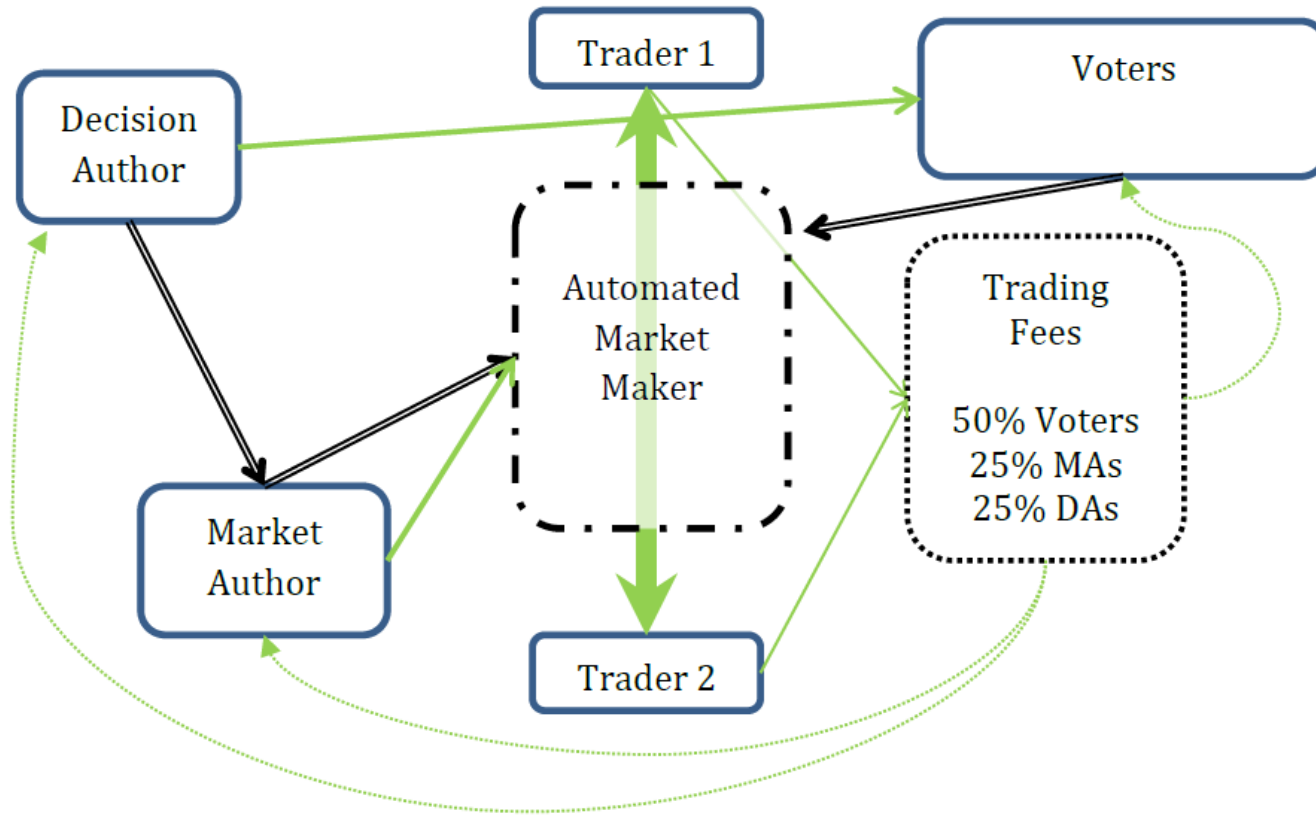Main (Non-Sports)

Main (Non-Sports, Non-Finance)

Finance

Time

[1] What fraction of Trading Volume?

- (Figure 5 Adapted from Whitepaper).
- Trading Fee itself is **set by Author** (more later).

[2] Competition (Lack Thereof)

- Tech Network-Effects
  - Money (once established, near-unbreakable).
  - Competitors Must Prove Non-Fraud (uniqueness / digital-scarcity problem).
  - Fight drives profits down (still >0?).
- Main competitor: Legal prediction markets (not happening).

356 Currencies / 768 Markets

[3] Beyond Prediction

Application	Sample Market
1. "BitUSD" (Save in Dollars/Gold, xfer these as you would Bitcoin)	TRU/USD Exchange Rate on **Date D**.
2. PMs denominated in USD (P2P Exchange, Financial Portfolios)	TRU/USD Exchange Rate on **Date D** *X* Hillary Clinton to win US President in **Nov 2016**.
3. Public Goods	Lighthouse with specifications X built with *Schelling Indicator: S* by **Date D**.
4. Insurance	Natural Disaster X of Magnitude M to occur **on or before Date D**.
5. Gambling	Sports Team X to win on **Date D**.

[3] Valuation Possibilities

Possibility	Yearly Trading Volume (in 2013-USD)	Worst Case 5 Basis Points (.05%), 3 Years @ 45% (1.5x)	Medium Case 50 Basis Points (.5%), 10 Years @ 30% (3x)
InTrade	23.8 million	$ 8,925	$ 178,500
Unreg Sports Betting (USA)	300 billion	112.5 million	2.25 billion
NYSE (on just 251 trading days)	27.6 trillion	10.35 billion	207 billion

1. (1/2) * Trading Fee * Trading Volume * NPV-Multiplier
2. Ignores superiorities to each of these existing institutions (see notes).
3. Figures are for US numbers only (Truthcoin would be global).
4. Ignores revenues from other branches.
5. Ignores Listing Fees paid by Authors (because also ignores Voting Work).

[3] ~~Dilution~~ It's all yours!

- Blockchain: Once programmed, immutable. In future, even illegal to try.
- Scalability: **No need** for more employees/lawyers/office space/customer service.