



**Vermont Bar Association**  
**2018 Tech Show Seminar Materials**

**Bitcoin and Other Cryptocurrency:  
What Lawyers Need to Know**

**May 16, 2018**  
**DoubleTree (formerly Sheraton)**  
**S. Burlington, VT**

**Speaker:**

**Katie Burghardt Kramer, Esq.**

# Bitcoin and Cryptocurrency: What Lawyers Need to Know


Presented by  
Katie Burghardt Kramer, Esq.

# Roadmap

Part 1 - What Is This Stuff Anyway?

Part 2 - ICOs: Initial Coin Offerings

Part 3 - Virtual Currency in the Real World

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The central area is white, providing a clear space for the text.

# Part 1 - What Is This Stuff Anyway?

Lots of different types...



# What is cryptocurrency used for?

- ▶ Black markets and outlawed activities
- ▶ Legitimate activity
- ▶ Speculation

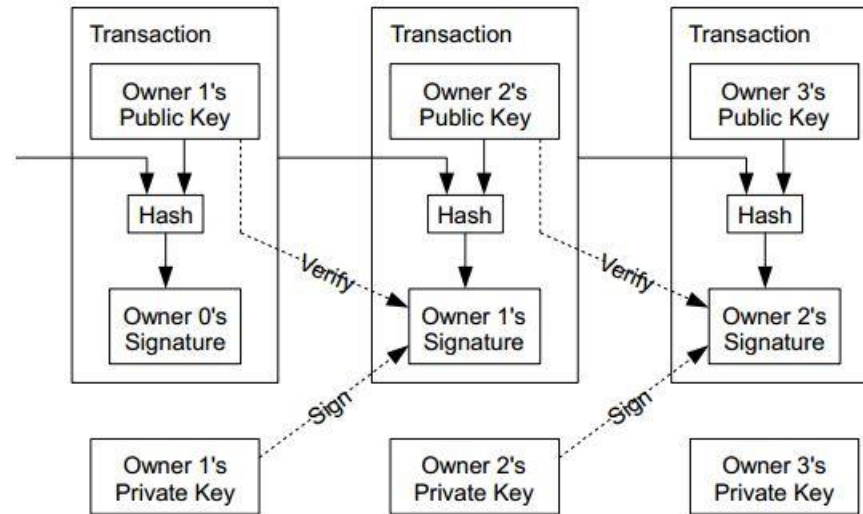


# Finding New Bitcoins: Bitcoin Mining



# Underlying Technology: Blockchain

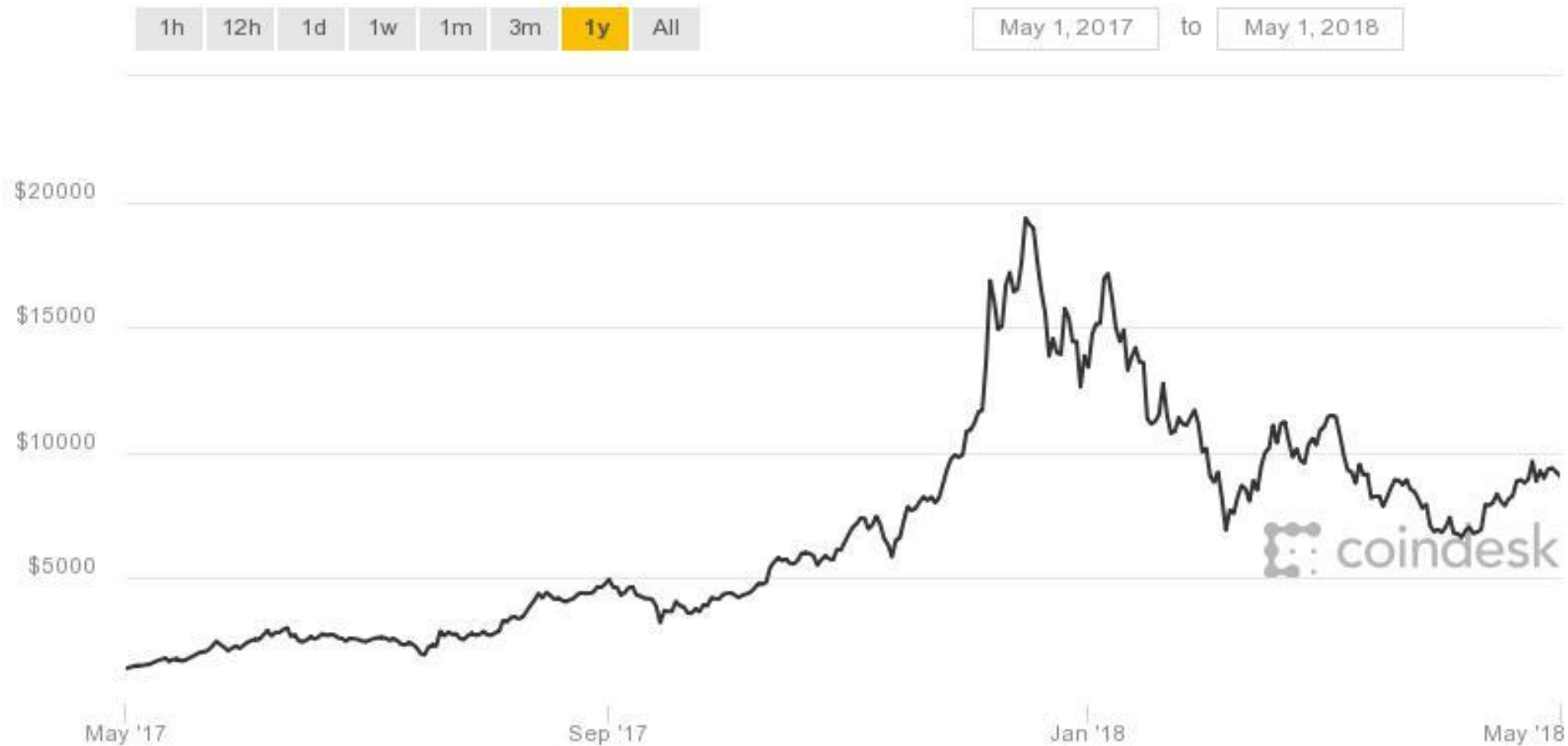
Immutable  
digital ledger



- ▶ *Check out Jim Knapp's presentation next to learn more about blockchain*



# How Much Is Bitcoin Worth?



# Regulatory and Tax Issues



- ▶ SEC Regulations: still evolving
- ▶ Probably will end up regulated as securities
- ▶ Taxation: treated as property, not currency

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# Part 2 - ICOs: Initial Coin Offerings

# What is an ICO?

Similar to an IPO...



Similar to crowdfunding...

The goal is to raise lots of capital quickly



ethereum

# Venezuela gets in the ICO game

- ▶ In February/March 2018, Venezuela launched Petro
- ▶ Raised \$5 billion
- ▶ First state-backed digital currency
- ▶ U.S. ordered sanctions against Venezuela for this - illegal for “U.S. persons” to use Petro



# Dogecoin: A Cautionary Tale, Perhaps

- ▶ Launched in 2013
- ▶ Intended as a parody
- ▶ By January 2018, market capitalization of over \$1 billion



# ICO Litigation and Regulation

- ▶ SEC is starting to crack down on ICOs
- ▶ Tezos class action lawsuits in San Francisco, among others

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# Part 3 - Virtual Currency in the Real World



# Mining Requires Electricity... Lots of it

- ▶ Plattsburgh became a popular bitcoin-mining site due to cheap electricity
- ▶ In March 2018, Plattsburgh banned bitcoin mining
- ▶ Mining is popular in countries with low electricity costs, especially China
- ▶ Environmental cost?

# Bitcoin Theft

- ▶ Old-fashioned stick-ups
- ▶ Stealing mining equipment



# Questions?

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