

## The American Blockchain

The Blockchain is more than just the means of moving money or wealth on a secure network. It is a way to securely move information, at the code level; anything that is already on a computer is already just code. Anything that is tracked on paper can be converted to digital code, it is the same basic idea we have for most things in our lives. A house has a Title or Deed, a vehicle has a pink slip and registration, these are paper representations for the things of value in our lives. The information or wealth you are trying to store is difficult, different States have different types of registration for everything from cars to boats to houses, and paper documents can be lost destroyed or stolen. Current digital versions of information, including any digital representation of a physical asset like a digital car pink slip, are not secure. Hacks happen all the time and the losses can be data or access and control to a private network.

**Coins** are basically the Blockchain, the numbers of Coins there are and who currently holds them. It tracks the Coins every single time a Coin moves wallets, each Coins value is identical to another Coin. The creation of Coins is controlled by the code of the Blockchain, either a max limit, or some form of inflation is how Coins are made. Coins are typically divisible to 8 decimal places 1.00000000.

**Tokens** can be built on a Blockchain; a Token is similar to a Coin however Tokens are built onto the Blockchain not into the Blockchain code. Tokens are representations of information or wealth; they are stored on the Blockchain and follow the Blockchain code. However Tokens can be created at anytime and attached to some form of wealth or information on the Blockchain, the information or wealth are all equal. They must be traded at a 1 for 1 value; they are also divisible to 8 decimal places 1.00000000.

**Non-Fungible Tokens** can also be built onto the Blockchain; NFTs as they are called are still Tokens. Each Token is unique; they are valued based on the information stored in the NFT. Most NFTs would not be divisible, however because the NFT is just code it can be split if written into the code of the NFT.

Tokens and NFTs run on the same Blockchain as the Coin, so the Blockchain would be what protects all information and wealth stored in the Tokens and NFTs. The Miners, Pools, and Nodes run the network or Blockchain, however the blocks they verify are just hashed code on the Blockchain, they have no real access to any of the information on the Blockchain. Knowing the basic principles about Blockchain, we can start to imagine how we can safely transfer current wealth, information and assets to a safer more secure network.

**\*\*There are many use cases on the Blockchain, not all of them are good and not all of them are bad. What follows is an example of how Tokens and NFTs can replace every single major system for storing information and wealth we have today. It would not happen overnight and with Government support we could streamline the entire economy and help level the financial playing field for the American people\*\***

To simplify things Tokens are a currency, they are traded at equal values and valued at an agreed upon rate, compared to the value of the Coin of that Blockchain. A simple comparison would be stocks, shares in a company that can be divided and traded at the current value of the stock; Blockchain is a 24 hour a day 7 days a week network. NFTs would be tied to physical assets or objects in the world, a Deed or Title to a house, a person's medical records, the 'start' code for the owner of a vehicle. Because all these would run on The American Blockchain everything would be secure and transactions would be trusted to be authentic by all users. What follows are a few examples of how we will transition to the Blockchain, not everything will benefit everyone; however the wheels are in motion. Bitcoin itself can be traced back to the 2008 financial crisis; there are papers on Bitcoin's open source code and the history of Bitcoin, this paper will not explain where Bitcoin came from. What the American people need to understand is the code is out there, if we don't use it someone else will, this means a CBDC and/or The American Blockchain is not an 'if' but more of a 'when', and it all started 12 years ago. The rate of adoption for Bitcoin and other Blockchain Coins is growing fast, HR 1602 passed the House of Representatives in April 2021, and is currently being discussed in the Senate, Senator Elizabeth Warren lead a Senate hearing posted to YouTube in June 2021. The hearing discussed CBDCs and how Blockchain tech would be incorporated at a Federal level. The path set out on in 2008 is finally starting to have repercussions; the American people must understand the changes that are coming, for better or worse.

**Tokens** on the Blockchain would allow for the creation of the stock market on the Blockchain, hedge funds and long or short trades would still be possible. However the number of shares of a stock could never be changed, preventing incidences like the GameStop short. A public video posted on YouTube recorded the almost 5 hour Federal hearing, where inefficiencies with the stock markets T1 or T2 settlement dates basically proved the shares were created in order to meet buying volume. This would never be an issue on The American Blockchain, the Tokens would be created at a predetermined rate and not allow this kind of market manipulation. The individual American would be able to access the stock market instantly regardless of how much money they have, and they could trust the Tokens because they run on The American Blockchain.

**NFTs** would be anything that has value to an individual, as a former Realtor the first NFT use case I will present will be a real estate transaction and how NFTs will be adopted and incorporated into the real estate transaction. The NFT will record the parcel number, the limits of the property and structures on the property; it will include Title reports and easements on the property. It will be a full history of the property and eliminate many of the costs incurred during a real estate transaction. If a physical home or building is represented by an NFT the entire sale process of a home could be accomplished with far fewer 3<sup>rd</sup> parties. The NFT would move from the seller's wallet to the broker's wallet, a trusted 3<sup>rd</sup> party, the broker would work with a real estate agent and the seller. Once a buyer was found Coins would fund the broker's wallet, either from a cash buyer or from a buyer getting a loan, the Coins in that case would come from a financial lender. The broker and real estate agent would write up the contract and have all parties agree, Coins would be sent to the seller and the NFT of the house would be sent to the buyer. Home inspections and appraisals would still be needed, however escrow companies, Title reports, many of the additional fees normally associated with a real estate transaction would no longer be needed. The information or security provided by these industries would be replaced by the security of the Blockchain.

This sounds bad for people in industries that will be replaced, however we must remember what a truly free economy is, it's the secure transfer of information or wealth between individuals. If the people can't trust the Blockchain code then they can't trust transactions on that Blockchain. Inevitably a Blockchain will secure our information and wealth digitally. A great analogy would be horses and cars, most people in America do not ride a horse to work, simply because cars are available for purchase and they are more efficient. If an individual was looking to buy a house, would they spend extra money with a broker on escrow fees and Title reports, or would they use a broker that charges them less because less 3<sup>rd</sup> parties are involved. The inevitability is the cheaper faster more secure path would be the new standard. Those that did not adapt to the consumer's needs would fail, leading to the eventuality that will be complete adoption of the Token and NFT asset class. Benefiting the individual with lower costs for services; also benefiting those companies that did adopt the NFT and Token Blockchain system. The use of Tokens and NFTs, either being traded like stocks, or information updates on NFTs, add transactions to the Blockchain. Transactions are put into blocks by the Pools, those blocks produce the Blockchain and the block rewards for the Pool. The use of Tokens and NFTs not only is inevitable, but also beneficial to individuals and industries that move or store digital information and wealth. It may be hard to understand, but imagine if everything you use or have today from a house that is represented by paper Deed; to a vehicle that has a metal license plate and paper or digital registration. All of it could be represented by NFTs, and paper stocks that a company issues would be Tokens, the list of

assets, wealth, or information that could be represented by Tokens and NFTs is more than can be covered in this paper. If we break them into the fungible and non-fungible groups we have a better idea of the scope of use cases for Tokens and NFTs, when imaging current systems and the sensitivity of personal information involved in these systems remember Tokens and NFTs run on The American Blockchain. The code of this Blockchain is set up to reject invalid transactions, and to store the information in such a way that only you have access to it, and only you can give the access to allow someone to view that information. I will talk more about a digital ID NFT later in this paper, what follows is a short list of systems or things that could be represented by a Token or NFT...

<u>Token</u>	<u>Non-Fungible Token</u>
Stocks	Deed or Title for a home
Tickets for events	Vehicle pink slip and registration
Coupon or discount for a product	Identification card or driver license
Gift cards	Medical records
Airline ticket	City permits
Hotel reservations	Government issued business license
Bus passes	College degree

With so much information and wealth stored on the Blockchain it becomes easy to understand the need for that Blockchain to be absolute when it comes to invalid transactions; who controls the Miners and Pools of that Blockchain, and who controls the updates to the code of that Blockchain. It all plays a factor in how much of the information stored in the Blockchain, can be accessed by 3<sup>rd</sup> parties. The American Blockchain will be built from the underlying code up, if we focus at the code level to ensure the individuals freedom and privacy we will have a solid foundation to add use cases to the Blockchain, like Tokens and NFTs. If implemented correctly this American Blockchain will bring a bright future to the American people. If we allow a CBDC or any Blockchain to be ran at the Federal level of government we must ensure they do not give themselves access to change the Blockchain code or access the NFTs. Doing so would give the Federal Government unprecedented access and control over the individual's information and wealth on the Blockchain.

-JRO