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**Palm Beach Attorney
Laura Anthony Talks
Ethereal Economics and the
Digital Currency Revolution
on LawCast**

**White Paper
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Only a select few recognize sweeping socioeconomic change as it is occurring. The rest of the world only sees it in hindsight.

Paradigm Shift: an important change that happens when the usual way of thinking about or doing something is replaced by a new and different way. – Merriam-Webster

Scholars and luminaries held fast to the belief that the foundation of Western civilization was comprised of certain building blocks that were impervious to change. Eastern and Western philosophy would never integrate; innovation and invention were exclusively the progeny of large corporations; and the concept of replacing hard currency with a virtual, electronic counterpart was nothing short of science fiction.

The pathway to a global economy is now a superhighway; a lone college student has turned traditional media into the underdog and cash is no longer king. As a result, being a scholar or luminary no longer holds the prestige it once did.

[Palm Beach attorney Laura Anthony](#) is currently regarded as one of the leading authorities who truly grasps how digital currency and capital tokenization dovetails with private and public companies. [Ms. Anthony](#) is the founding partner of [Anthony L.G., PLLC](#), a national corporate and securities law firm that has represented more than a dozen blockchain clients. She has expounded on the complex topics of virtual currency, security tokenization and [blockchain technology](#) in her podcast series [LawCast](#), Corporate Finance in Focus, as well as on her blogsite [SecuritiesLawBlog.com](#).

According to Ms. Anthony, “I’ve done more than a dozen LawCast segments focusing on [cryptocurrency](#), [securities tokens](#), [distributed ledger technology](#), and [blockchain](#). To the uninitiated, the entire concept may seem initially overwhelming. However, it is important to remember that by sheer design, the success of a new technology hinges on its ability to proliferate, meaning that unless people understand it, they won’t use it. By keeping this premise in mind, anyone new to the tokenized marketplace should be confident in their ability to understand it.”

Ms. Anthony launched [LawCast](#) in the fall of 2014 during the Podcast Renaissance. The site was designed to explain the intricacies of corporate finance and securities law in layman’s terms and has been viewed more than 100,000 times.

For purposes of investment contracts, tokens are just another method of representing a fractional ownership interest in a company, an asset, real property, a revenue stream, a license, a right or obligation, etc., coupled with the ability to effectuate transactions in these tokens in a fast, safe, and efficient manner. Just as technology solved the Paperwork Crisis of the 1970s when the U.S. clearing and settlement system was literally being crushed by the sheer volume of paperwork, blockchain and distributed ledger technology has the ability to revolutionize the U.S. capital market system.

During a recent interview with Jeff Ramson, CEO of PCG Advisory Group, Ms. Anthony elaborated on the current debate as to whether digital currency is indeed a currency or a security. Ms. Anthony stated, “Well, I think that securities tokens represent a fractional ownership interest in a company, the same as a common stock does. But it’s a different technology used to record and keep records, to trade and to settle and clear that fractional ownership interest and because of its decentralized nature, it can eliminate middle people and middlemen and the way that securities settle and trade in the United States. I believe the settlement process is going to change – the proverbial train has left the station.”



Distributed Ledger Technology and Blockchain

Naturally, since electronic currency is nothing more than computer code, the need for wallets and money clips has been eliminated. On a grander scale, bricks-and-mortar banks no longer factor into the equation. However, since hundreds of millions of dollars of “ethereal” currency trades hands daily, someone or something must rectify debit and credit balances.

There are two pivotal terms that come into play: “blockchain” and “distributed ledger technology.” These two technology-based platforms are widely used, frequently mistaken for one another, but ultimately bring efficiency to what would otherwise be a chaotic form of commerce.

Emerging technology writer Shaan Ray provides a succinct explanation of how the two platforms differ and interact.

Distributed Ledger Technology

A distributed ledger is a database that is spread across several nodes or computing devices. Each node replicates and saves an identical copy of the ledger. Each participant node of the network updates itself independently.

The groundbreaking feature of distributed ledger technology is that the ledger is not maintained by any central authority. Updates to the ledger are independently constructed and recorded by each node. The nodes then vote on these updates to ensure that the majority agrees with the conclusion reached. This voting and agreement on one copy of the ledger is called consensus, and is conducted automatically by a consensus algorithm. Once consensus has been reached, the distributed ledger updates itself and the latest, agreed-upon version of the ledger is saved on each node separately.

Distributed ledger technologies drastically reduce the cost of trust. The architectures and structures of distributed ledgers can help us mitigate our dependence on banks, governments, lawyers, notaries and regulatory compliance officers. R3’s Corda is an example of a distributed ledger.

Distributed ledgers present a new paradigm for how information is collected and communicated, and are poised to revolutionize the way individuals, enterprises and governments transact.

Blockchain Technology

Blockchains are one form of distributed ledger technology. Not all distributed ledgers employ a chain of blocks to provide a secure and valid distributed consensus.

A blockchain is distributed across and managed by peer-to-peer networks. Since it is a distributed ledger, it can exist without a centralized authority or server managing it, and its data quality can be maintained by database replication and computational trust.

However, the structure of the blockchain makes it distinct from other kinds of distributed ledgers. Data on a blockchain is grouped together and organized in blocks. The blocks are then linked to one another and secured using cryptography.

A [blockchain](#) is essentially a continuously growing list of records. Its append-only structure only allows data to be added to the database: altering or deleting previously entered data on earlier blocks is impossible. [Blockchain technology](#) is therefore well-suited for recording events, managing records, processing transactions, tracing assets, and voting.



In summary, every blockchain is a distributed ledger, but not every distributed ledger is a blockchain.

The Federal Reserve Comments

According to Rachel McIntosh, a contributing editor to Finance Magnates, Federal Reserve Chairman Jerome Powell has a seemingly positive outlook about the possibility of the introduction of distributed ledger technology (DLT) into the US' existing financial systems. However, he has also expressed that the technology is too new to be relied upon.

Historically, Powell has expressed interest in blockchain technology, although he isn't necessarily a fan of Bitcoin or any other [cryptocurrencies](#). In a speech Powell delivered at Yale Law School last year, he acknowledged BTC's role in bringing distributed ledger technology further into the world of mainstream financial technology.

He continued by acknowledging that the advent of [cryptocurrencies](#) has led some to believe that "DLT will, in the long run, render parts of the banking and payments system obsolete, as the intermediation of funds through the banking system will become unnecessary."

However, Powell noted that because blockchain is such a new technology, there are many things about it that need to be developed. Powell expressed the need for "standardization and interoperability across different versions of [DLT](#)," an important factor for adoption of [DLT](#) into real-world use.

In the Yale speech, Powell also voiced the need for legal structures that could properly regulate a [DLT network](#) that extended over multiple countries or other kinds of legal jurisdictions.

Conclusion

Blockchain and distributed ledger technology have the ability to allow for the widespread sale and subsequent re-sale of fractional ownership interests in private companies and assets, blurring the lines between private equity and public companies. The technology can be utilized by earlier stage companies to facilitate access to capital and can essentially democratize investment opportunities. The technology will also, eventually, transform the settlement and clearing of securities in the U.S. requiring industry stalwarts such as the DTCC and its subsidiaries and affiliates, the [NYSE](#) and [Nasdaq](#), to reconstruct their business operations – and they are all investing heavily in that future as of today.

Of course, regulations and the protections afforded to investors and our capital market systems will need to transform as well, but the technology has the ability to automatically detect and react to fraud and human error in a way that has never before been possible.



The Author

Laura Anthony, Esq.,
Founding Partner
Anthony L.G., PLLC
A Corporate Law Firm
LAnthony@AnthonyPLLC.com

625 N. Flagler Drive, Ste, 600
West Palm Beach, FL 33401
Phone: 800-341-2684 – 561-514-0936
Fax: 561-514-0832
AnthonyPLLC.com
LawCast.com

Securities [Attorney Laura Anthony](#) is the founding partner of Anthony L.G., PLLC, a national corporate, securities and business transactions law firm. For 23 years Ms. Anthony has focused her law practice on small and mid-cap private and public companies, the OTC market, [NASDAQ](#), NYSE MKT, [going public transactions](#), mergers and acquisitions, private placement and [corporate finance](#) transactions, Regulation A/A+, Exchange Act and other regulatory reporting requirements, FINRA and DTC requirements, state and federal securities laws, crowdfunding, general corporate law and complex business transactions.

Ms. Anthony and the ALG team have represented issuers, buyers, sellers, underwriters, placement agents, investors, and shareholders in [mergers, acquisitions and corporate finance transactions valued in excess of \\$1 billion. ALG has represented in excess of 200 corporate vehicles and private entities in reverse mergers, initial public offerings and direct public offering transactions.](#)

[Attorney Laura Anthony](#) and her experienced legal team provides ongoing corporate counsel to small and midsize private companies, OTC and exchange traded issuers as well as private companies going public on the NASDAQ, NYSE MKT or over-the-counter market, such as the [OTCQB](#) and [OTCQX](#). For nearly two decades Anthony L.G., PLLC has served clients providing fast, personalized, cutting-edge legal service. The firm's reputation and relationships provide invaluable resources to clients including introductions to investment bankers, broker-dealers, institutional investors and other strategic alliances.

The firm's focus includes, but is not limited to, compliance with the Securities Act of 1933 offer sale and registration requirements, including [private placement transactions](#) under Regulation D and Regulation S and PIPE Transactions as well as registration statements on Forms S-1, S-8 and S-4; compliance with the reporting requirements of the Securities Exchange Act of 1934, drafting and filing [Form 10 Registration Statements](#), reporting on Forms 10-Q, 10-K and 8-K, and [14C Information Statements](#) and 14A Proxy Statements; [Regulation A/A+ offerings](#); all forms of [going public transactions](#); mergers and acquisitions including both reverse mergers and forward mergers; applications to and compliance with the corporate governance requirements of securities exchanges including NASDAQ and NYSE MKT; crowdfunding; corporate; and general contract and business transactions.

[Attorney Laura Anthony](#) and her firm represents both target and acquiring companies in reverse mergers and forward mergers, including the preparation of transaction documents such as [merger agreements](#), [share exchange agreements](#), [stock purchase agreements](#), asset purchase agreements and reorganization agreements. Ms. Anthony's legal team prepares the necessary documentation and assists in completing the requirements of federal and state securities laws

and SROs such as FINRA and DTC for [15c2-11 applications](#), corporate name changes, forward and reverse stock splits and changes of domicile.



[Ms. Anthony](#) is an approved [PAL and OTC Markets Advisor](#) with OTC Markets Group, the creator and author of [SecuritiesLawBlog.com](#), the security industry's leading source for news and information, included in the ABA Journal's "10th Annual Blawg 100," the producer and host of [LawCast.com™](#), The Securities Law Network, and a contributing blogger for The Huffington Post. Attorney Laura Anthony is recognized by Martindale-Hubbel as one of America's Most Honored Professionals and the recipient of the Martindale-Hubbel Distinguished® Rating.

Ms. Anthony is a member of various professional organizations including the Crowdfunding Professional Association (CfPA), Palm Beach County Bar Association, the Florida Bar Association, the American Bar Association and the ABA committees on Federal Securities Regulations and Private Equity and Venture Capital. She is a supporter of several community and charities including the Cystic Fibrosis Foundation, Opportunity, Inc., New Hope Charities, the Society of the Four Arts, the Norton Museum of Art, Palm Beach County Zoo Society, and Kravis Center for the Performing Arts. She is also a financial and hands-on supporter of Palm Beach Day Academy, one of Palm Beach's oldest and most respected educational institutions. She currently resides in West Palm Beach with her husband and daughter.

Ms. Anthony is an honors graduate from Florida State University College of Law and has been practicing law since 1993.

Contact [AnthonyPLLC.com](#). Technical inquiries are always encouraged.

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[law-cast](#)

noun

[Lawcast](#) is derived from the term podcast and specifically refers to a series of news segments that explain the technical aspects of corporate finance and securities law. The accepted interpretation of [lawcast](#) is most commonly used when referring to [LawCast.com](#), Corporate Finance in Focus, Example; "[LawCast expounds on NASDAQ listing requirements.](#)"

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