



**Strategic Legacy**  
INVESTMENT GROUP, Inc.  
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"Achieving Your Financial Objectives Through Strategic Investments"

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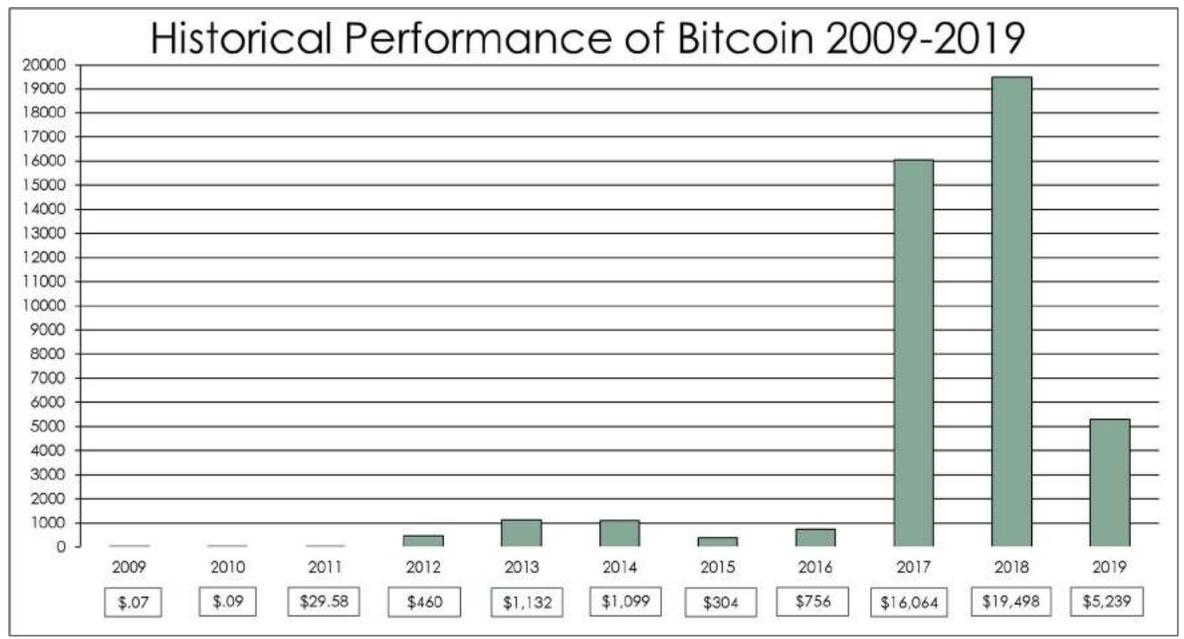
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## What is Bitcoin?

Bitcoin is a new currency that was created in 2009 by an unknown person using the alias Satoshi Nakamoto. Transactions are made with no middle men – meaning, no banks! Bitcoin can be used to book hotels on Expedia, shop for furniture on Overstock and buy Xbox games. But much of the hype is about getting rich by trading it. The price of bitcoin skyrocketed into the thousands in 2017.

Bitcoins can be used to buy merchandise anonymously. In addition, international payments are easy and cheap because bitcoins are not tied to any country or subject to regulation. Small businesses may like them because there are no credit card fees. Some people just buy bitcoins as an investment, hoping that they'll go up in value. Many marketplaces called "bitcoin exchanges" allow people to buy or sell bitcoins using different currencies. Coinbase is a leading exchange, along with Bitstamp and Bitfinex. But security can be a concern: bitcoins worth tens of millions of dollars were stolen from Bitfinex when it was hacked in 2016. People can send bitcoins to each other using mobile apps or their computers. It's similar to sending cash digitally.

So how are Bitcoins created? People compete to "mine" bitcoins using computers to solve complex math puzzles. This is how bitcoins are created. Currently, a winner is rewarded with 12.5 bitcoins roughly every 10 minutes. Bitcoins are stored in a "digital wallet," which exists either in the cloud or on a user's computer. The wallet is a kind of virtual bank account that allows users to send or receive bitcoins, pay for goods or save their money. Unlike bank accounts, bitcoin wallets are not insured by the FDIC. Each bitcoin transaction is recorded in a public log, names of buyers and sellers are never revealed – only their wallet IDs. While that keeps bitcoin users' transactions private, it also lets them buy or sell anything without easily tracing it back to them. That's why it has become the currency of choice for people online buying drugs or other illicit activities.



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**Ten Significant Events and their effects on the value of Bitcoin.**

**1. Genesis Block Established - January 3, 2009**

The first Bitcoin transaction record, or genesis block, kicks off the Bitcoin block chain and includes a reference to a pertinent newspaper headline of that day: The Times 03/Jan/2009 Chancellor on brink of second bailout for banks. The initial Bitcoin program and its source code are released by Satoshi Nakamoto six days later.

**2. Bitcoin price hit \$1.00 USD – February 09, 2011**

Bitcoin value: \$0.96 Bitcoin value 10 days later: \$0.91

Just two years old, Bitcoin achieves parity with the U.S. Dollar on the Mt. Gox exchange. The following day, some popular news outlets feature stories on the symbolic milestone, causing such a surge of interest in the growing currency that the official Bitcoin website is temporarily hobbled.

**3. People's Bank of China OK's Bitcoin - November 20, 2013**

Bitcoin value: \$641.23 Bitcoin value 10 days later: \$1075.16

Speaking in Chinese at an economic forum, Mr. Yi says that "people are free to participate in the Bitcoin market," and that he would "personally adopt a long-term perspective on the currency." News of his statements energize the already active Chinese bitcoin markets, with the largest, BTC China, seeing trade volumes more than twice those of the world's second-largest exchange, Mt. Gox.

**4. Chinese Government Bans Financial Institutions from Using Bitcoin - December 5, 2013**

Bitcoin value: \$1022.37 Bitcoin value 10 days later: \$839.93

Putting its first restraints on Bitcoin's surging popularity, the People's Bank of China declares Satoshi Nakamoto's novel invention not to be a currency. The policy change prohibits any financial institution to trade, insure, or otherwise offer services related to Bitcoin. Over the following weeks, further restrictions slowly strangle the Chinese cryptocurrency markets, as exchanges repeatedly try to find innovative, lasting ways to stay in operation, and prices around the globe sink dramatically.

**5. IRS Declares Bitcoin To Be Taxed As Property - March 26, 2014**

Bitcoin value: \$581.52 Bitcoin value 10 days later: \$453.05

The IRS policy document declares Bitcoin to be property, not currency, subject to capital gains tax – with that tax calculated against every change in buying power for a given amount of bitcoin, from the time it's acquired to the time it's spent. The decision is widely derided as unwieldy and overly complex, requiring users of the currency to record Bitcoin's market price with every transaction, subject to an array of largely unfamiliar calculations. Others, however, remark that the net tax paid may often be less than if Bitcoin were treated as currency proper - but to a market that emerged in tax-free innocence, it is a difficult blow to soften.



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**6. Bitstamp Hacked - January 4, 2015**

Bitcoin value: \$275.07 Bitcoin value 10 days later: \$198.59

Unknown hackers were able to steal 18,866 bitcoins from Bitstamp's operational hot wallet, worth roughly \$5.2 million dollars. The attackers used social engineering against Bitstamp system administrator Luka Kodric to gain access to 2 of Bitstamp's servers and subsequently the hot wallet's private keys. The wallet was completely drained of all bitcoins shortly thereafter. Upon discovery of the breach, Bitstamp immediately shutdown the exchange's operations for 8 days as it audited its systems and rebuilt its trading platform. The theft represented "a small fraction of Bitstamp's total bitcoin reserves" as the majority of the company's Bitcoin funds remained untouched in offline "cold" storage. No customer account balances were affected. However, according to a leaked internal Bitstamp report on the incident, the damage to the company's reputation and customer confidence far exceeded its monetary Bitcoin loss.

**7. Bitcoin price breaks \$1000 for the first time in 3 years - January 3, 2017**

Bitcoin value: \$1020.47 Bitcoin value 10 days later: \$806.94

After rallying for most of the second half of 2016 Bitcoin breaches the \$1000 mark for the first time in 3 years. Mass media coverage brings in an influx of new users that supposedly will raise the price even higher.

**8. Japan Declares Bitcoin as Legal Tender - April 1, 2017**

Bitcoin value: \$1085.03 Bitcoin value 10 days later: \$1215.69

Japan recognizes bitcoin as a legal method of payment. The country's legislature passed a law, following months of debate, that brought bitcoin exchanges under anti-money laundering/your-customer rules, while also categorizing bitcoin as a kind of prepaid payment instrument.

**9. Bitcoin price breaks \$5,000 for the first time - October 13, 2017**

Bitcoin value: \$5128.05 Bitcoin value 10 days later: \$5943.06

The price of bitcoin has smashed through \$5,000 to an all-time high. The cryptocurrency rose by more than 8% to \$5,243 having started the year at \$966.

**10. Bitcoin price hit all time high just below \$20,000 - December 18, 2017**

Bitcoin value: \$19498.63 Bitcoin value 10 days later: \$16064.44

Bitcoin hits a new record high, but stops short of \$20,000

No one knows what will become of bitcoin. It is mostly unregulated, but some countries like Japan, China and Australia have begun weighing regulations. Governments are concerned about taxation and their lack of control over the currency.

Website information source: <https://99bitcoins.com/price-chart-history/>

