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# Exclusive: Lawyer behind first crypto stock buy predicts global economic shift

Tom Rodgers | Crypto, Feature, Legal & Regulation, Markets, News  
on Jun 14th, 2018


**USD EUR CNY GBP**
**\$ 6,528.97 (3.73%) ▲**
 **BTC**
 **ETH \$ 505.79 (8.17%) ▲**
 **XMR \$ 129.75 (9.99%) ▲**
 **LTC \$ 97.91 (7.05%) ▲**
 **DASH \$ 262.95 (7.91%) ▲**

\* Price & chart conversion through BTC

## Tamara Rodgers tells CryptoNewsReview that the embrace of digital currencies is spearheading global change. But it's a bumpy path...

Tamara Rodgers knew she was sailing into uncharted waters when she filed a relatively unknown piece of company documentation with the US Securities and Exchange Commission.

In late May 2018, Pithia was the first US company to buy public stock using a cryptocurrency. And Rodgers was the one who crafted the document for the regulators, known as a 13D filing. It allowed the venture capital firm to take a \$1.2m stake in smart city developer DigitalTown, paid entirely with Rchain (RHOC) cryptotokens.

As general counsel for Pithia, she is the in-house legal expert on crypto and blockchain.

"We knew at the time that we would be the first to do this, certainly in America," Tamara says as she negotiates the traffic in downtown Seattle. "It's a very large statement about the direction the world economy is moving in."

It's not surprising that we're conducting this interview from her car on a Saturday evening; crypto never sleeps, and it seems like this lawyer doesn't either.

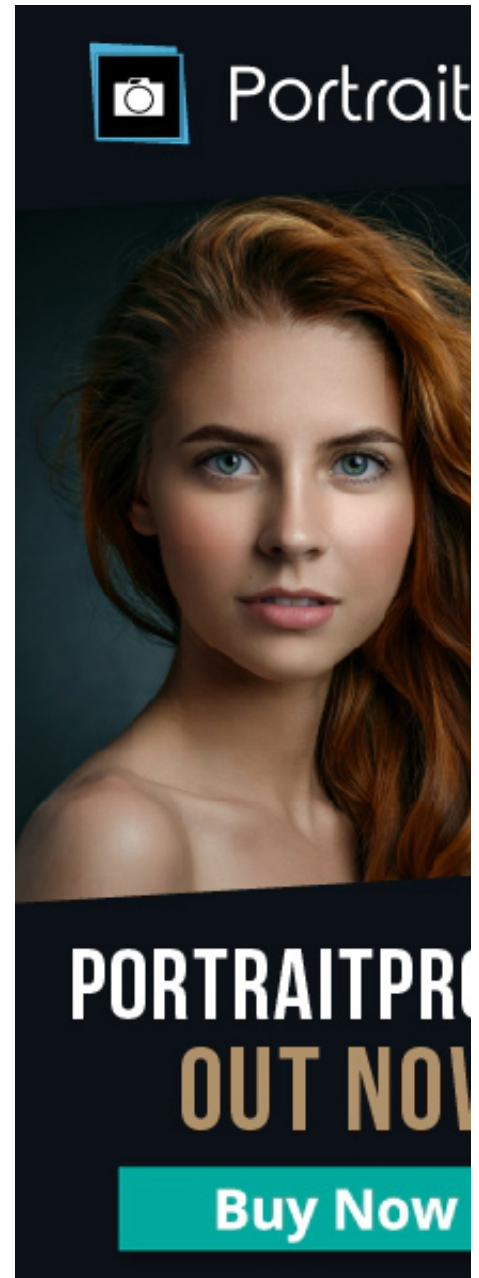
### Big deal

For RHOC or any other cryptotoken to be treated as a stable store of value, in the same way as a fiat currency, is huge news.

Cryptocurrencies have a volatility hitherto unheard of in mainstream currency markets.

It's this liability to huge swings – major gains and big losses – that makes the regulators nervous.

When the minor South Korean cryptoexchange Coinrail admitted it was hacked on 10 June, 98% of the top 100



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most popular cryptocurrencies lost between 4% and 15% of their value in a single 24-hour period.

RHOC too was not immune, dropping 11% of its value overnight. That made the investment that Pithia had in DigitalTown effectively fall from \$1,218,000 to \$1,134,000.

RHOC and others have since bounced back, but it is crypto's susceptibility to technological interference that is making it difficult to navigate government-level regulation.

"No one wants to buy anything with Bitcoin at the moment", says Rodgers. "A lot of people are simply holding on to their tokens and sacrificing short-term profit for future gain. A few bad actors are causing major challenges for those of us working in the blockchain industry because of the volatile nature of cryptos."

What will it take for people to actually use cryptocurrencies as daily currency? "We need to start seeing technologically and regulatorily sound stablecoins with the full functionality of fiat".

"Either that, or some form of tokenization of real world assets that can hold a stable value, even if it's just as a store of value."

But before we get anywhere near cryptocurrencies being used to shop on Amazon, blockchain-based solutions to real world problems – like decentralised versions of apps (dApps) – will be the real drivers of change.

"Consumer adoption will really take off when a blockchain based technology (such as self-sovereign identity) genuinely makes life easier – like mobile phones did.

"I see enterprise adoption of blockchain driving adoption and acceptance of [the] technology as a radical leap forward. Winners within the space will emerge, with dApps building upon the most user friendly and scalable platforms."

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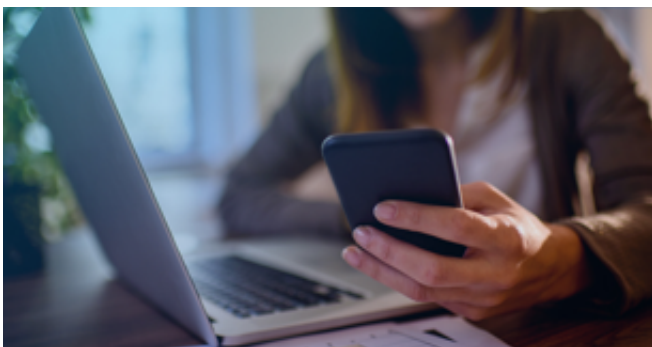


## Future holds

For a lawyer like Rodgers the continuing struggle comes when she is abutting against regulators who are far behind the curve.

“The pace of technological change is so, so fast. The regulators just have a hard time keeping up.

“That’s why we have to err on the side of, when we approach the SEC, we imagine they will enforce the regulations in the strictest way short of an outright ban



So what are the main difficulties of working with regulators when there’s little-to-no strategy coming from the top down? When everything is done on a case-by-case basis?

“It’s all about interpretation.

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“Some governments, like China for example, are being reactive and proscriptive, curtailing all blockchain and crypto initially, then slowly allowing one thing at a time.

“The US is taking a more permissive approach, going after bad actors when they emerge, like Munchee, but not putting out strict prohibitions.”

It was December 2017 when restaurant app Munchee got **shut down by the SEC**. The California firm was seeking \$15m but fell foul of the law when it emphasized that investors would make a return on their speculation. They agreed to refund investor cash after a cease-and-desist order by the US regulator, but did not contest the findings.

More recently, Titanium Blockchain’s assets were frozen by the SEC when it was alleged its ICO was built on a mountain of total fabrications.

Self-described blockchain evangelist Michael Stollery, aka **Michael Stollaire**, raised up to \$21m from investors inside and outside the US for Titanium Blockchain Infrastructure Services.

The SEC said in a **complaint** unsealed at the end of May 2018 that Stollery used YouTube and Twitter to compare investing in his ICO to the early days of Intel or Google, and “lied about business relationships with the Federal Reserve and dozens of well-known firms, including PayPal, Boeing, and The Walt Disney Company.” The **TBIS website** – which has since been taken down – “contained fabricated testimonials from corporate customers,” says the complaint.

“Having filed multiple cases involving allegedly fraudulent ICOs, we again encourage investors to be especially cautious when considering these as investments”, said Robert A. Cohen, Chief of the SEC Enforcement Division’s Cyber Unit.



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Any industry where the general public doesn't have a good handle on the technology that underpins the products they are supposedly investing in is ripe for fraud, that's a given. But the vast majority of companies are realistic and want to work within the law – and will always win through, says Rodgers.

"The US SEC and CFTC have actually shown a great deal of patience and insight in how they have so far handled regulation of crypto. I haven't dealt with them personally, but generally I've been impressed with their tact.

"The explosion in the value of Bitcoin has obviously driven mainstream interest, but beyond cryptocurrencies the technology and the rate of change is moving at an exponentially faster pace.

"There's a joke in the industry that a week in blockchain is like two months in other sectors."

So while entrepreneurs continue to release new products and educate themselves in this new industry, it's difficult for government to keep up.

"One of the challenges with every new wave of technology is that there is an adaption curve, just as there was with the early internet.

"We have a federal structure in the US where every state has strong government and is able to make their own laws, so the real change is happening on a state-by-state basis."

### **Demanding supply**

Already in 2018 lawmakers in Wyoming passed five bills to encourage blockchain businesses to set up in the state, while Colorado has put blockchain at the forefront of its IT commissioning.

"I believe the (former US territory) Marshall Islands is going to launch its own government-backed cryptocurrency and put it on the same level as the US Dollar. For that to happen here?

"Right now? No. A US cryptocurrency would be such a major shift away from where we are that I can't see it happening soon. Just because it would be such a major policy shift that would send ructions through the business world.

"There's no reason why we couldn't do it, we're no longer on the gold standard, but it would probably begin from each individual state first.

"I would put that question in front of a world-renowned economist and I'd be interested to hear the answer.

"For me, I'm kind of in love with the supply chain at the moment.

"Before I see the US government releasing its own cryptocurrency, I see widespread adoption of blockchain in land registry, and as a store of ownership.

But the acceptance of cryptocurrency in exchange for public company stock, how significant is that?

"What we're really seeing here is the herald for a global economic shift in the same way as we had with the early iterations of the internet.

"Digital currencies being embraced in this way? It's one of the first markers of real, significant global change."

**Images: BigStock**



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