



Follow Futures



New hedge fund bets on bitcoin

By FINalternatives

May 16, 2014 • Reprints



Coin Capital Management is launching a [Bitcoin](#)-focused hedge fund, which will buy and hold the leading crypto-currency in an institutional grade environment.

“We are pretty excited about Bitcoin...it is an exciting payment technology,” said Samuel Cahn, managing partner at the New York-based firm. “We are fully dedicated to holding Bitcoin, and we are the first ones to do so in an institutional grade hedge fund using the same types of checks and balances that investors have come to expect.”

Cahn founded Coin Capital—which is being seeded by a family office—along with his partners, brothers Sigmund and Drew Sommer.

Cahn, a practicing attorney, recently worked at the White Bay Group in a dual counsel and investment management role where he managed Combinations Capital Partners, a carveout dedicated to arbitrage and event-driven investing.

Sigmund Sommer has years of experience in mining, trading and investing in Bitcoin; he has also worked at Aladdin Gaming as an assistant to the chief technology officer and at Hello Networks as a senior server engineer.

Drew Sommer has also been at the forefront of the Bitcoin community, achieving success as a miner, trader and investor in the currency.

As for the fund’s buy and hold strategy, Cahn explains that it is based on simple, old-fashioned supply and demand. Since there are a finite number of Bitcoins, as demand rises, so will the price.

“We are really on the cusp of consumer adoption,” said Cahn, pointing to last year’s move by online retailer Overstock.com to accept the currency, and the more recent news that the Federal Election Commission has announced that Bitcoin is an acceptable form of currency for campaign contributions.

And as for security, an issue which has plagued the cyber currency in recent months with the collapse of Tokyo-based Bitcoin exchange Mt. Gox and the hacking of Canadian Bitcoin bank Flexcoin, Cahn said he is confident in his system’s secure storage capabilities.

Quotes by [TradingView](#)

We Asked Traders

[more >>](#)



We asked traders what FBI Director Comey's testimony means for stocks and other markets

Sponsored Content

Trading



Equities.com launches unlimited trading via Tradier Brokerage, Transforming into a news & fintech portal

Featured Topics

Commodities

[more commodities>>](#)



Silver holding huge commercial short



Volatility

[more volatility>>](#)

We arranged storage and custody to protect ourselves from [hackers]. We are using a multi-signature technology, which means no one party can sign off on a transaction alone,” he said, adding that the system also means that the investment managers are unable to run off with the funds, as a third party vendor is needed to confirm any transactions.

Coin Capital is using SS&C Technologies as its fund administrator and KPMG as its auditor. The fund is represented by law firm Thompson Hine.

About the Author

FINalternatives is the premier, independent source for news on the alternative investment industry. The seasoned reporters at FINalternatives bring readers the latest news and information from the hedge fund, private equity and CTA communities—bringing clarity to this opaque corner of the investment universe.

RELATED ARTICLES

- Daily Price Action: E-mini S&P 500
- Daily Price Action: E-mini S&P 500
- Daily Price Action: E-mini S&P 500
- Daily Price Action: E-mini S&P 500
- New Zealand dollar continues to roar higher on USD weakness

PREVIOUS	NEXT
Wheat continues reversal	SEC plans program to boost trading in smaller stock exchanges

RELATED TERMS

- bank 6455 mining 3077 Bitcoin 267 law 163 KPMG 41
- online retailer 31 Federal Election Commission 7
- Overstock.com 4 payment technology 2
- SS&C Technologies 1 Thompson Hine 1
- White Bay Group 1 Combinations Capital Partners 1
- Flexcoin 1 Coin Capital Management 1
- multi-signature technology 1 Samuel Cahn 1
- Sigmund Sommer 1 Drew Sommer 1



Retail is in trouble because of economic conditions. What does this mean for the markets?

Financials more financials>>



Daily Price Action: E-mini S&P 500

Options more options>>



Election play in gold options



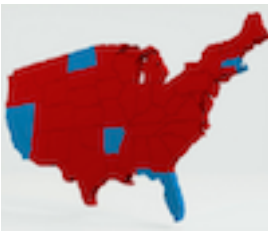
From The Web




Jim Rickards Drops Bombshell. The Elites Plan to Destroy Trump?



11 Rules For Building Wealth After 50



Penny Pot Stocks to Explode Under Trump Presidency. Details Here.

Sponsored Link by 

From The Web




Jim Rickards Drops Bombshell. The Elites Plan to Destroy Trump?



11 Rules For Building Wealth After 50



Penny Pot Stocks to Explode Under Trump Presidency. Details Here.

Sponsored Link by 

From The Web




Jim Rickards Drops Bombshell. The Elites Plan to Destroy Trump?



11 Rules For Building Wealth After 50



Penny Pot Stocks to Explode Under Trump Presidency. Details Here.

Sponsored Link by 

FUTURES


Stock, Commodity, Options and Forex Strategies for the **Modern Trader**


Congratulations to


MODERNTRADER


Best Business Magazine of the Year
— 2017 Niche Media Awards

images

FREE NEWSLETTER

MODERN TRADER

FOLLOW

SEARCH

- FUTURES

FAVORITES

TRADERS

FINalternatives

HARD ASSETS

MODERN TRADER

ALL +

!

Shared via Ivy [Get yours now free](#)