

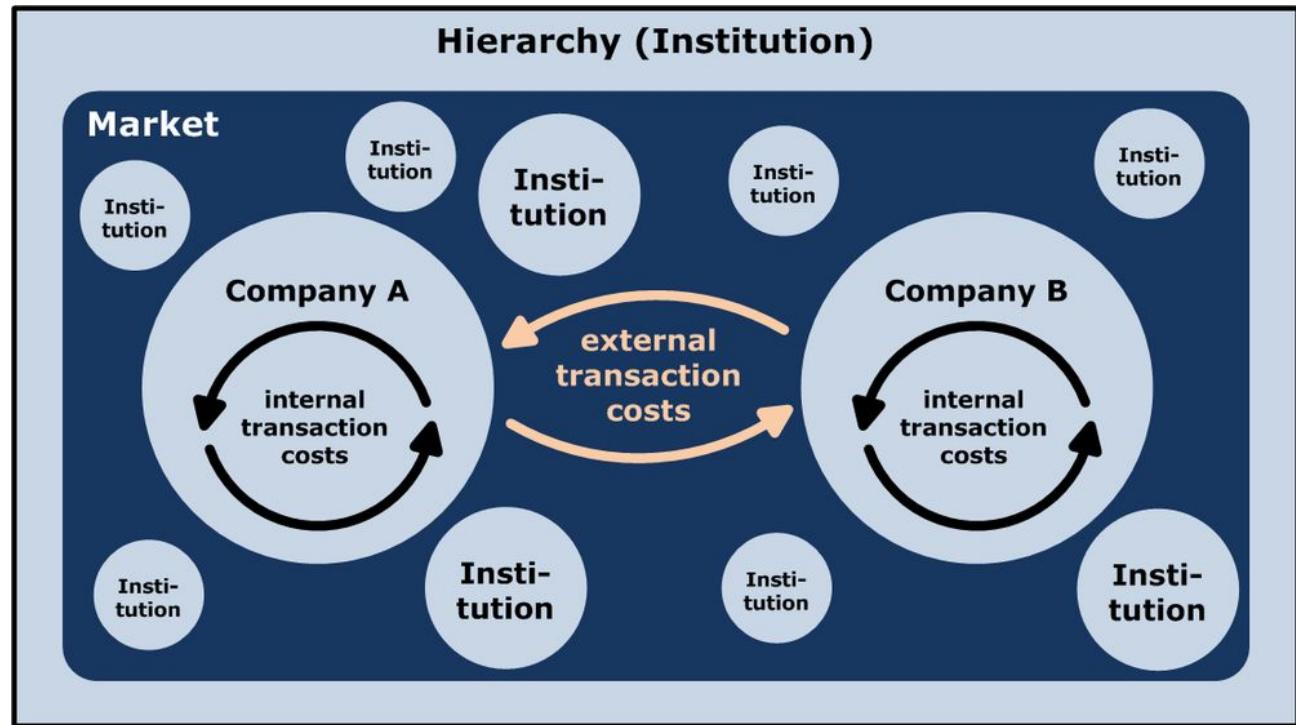
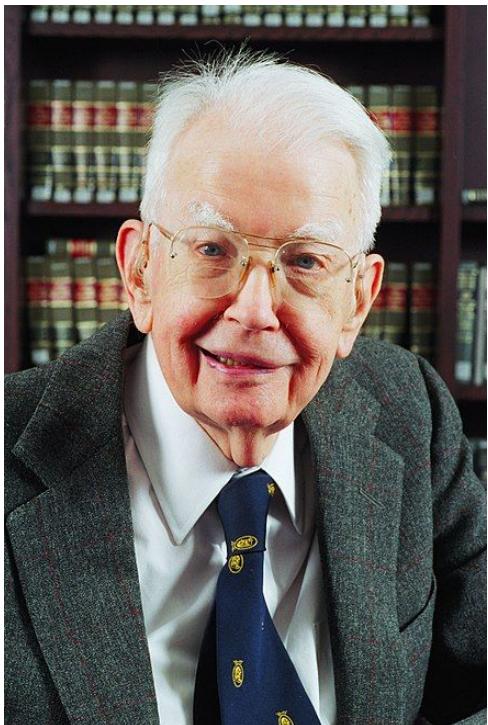
Decentralization, Governance, Automation and the Future of Society

AiDecentralized Conference
Toronto, Canada -- May 22, 2018

*The future is here.
It just isn't very evenly decentralized yet.*

With thanks to William Gibson

What is the purpose of the firm?



Ronald Coase

Transaction Cost Theory.

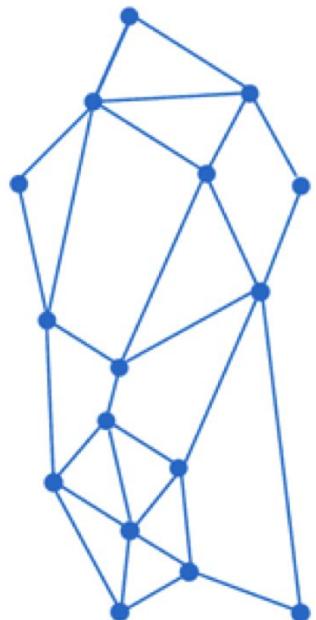
The Internet, DATA, Commerce, Knowledge, Control

1992 - 1997

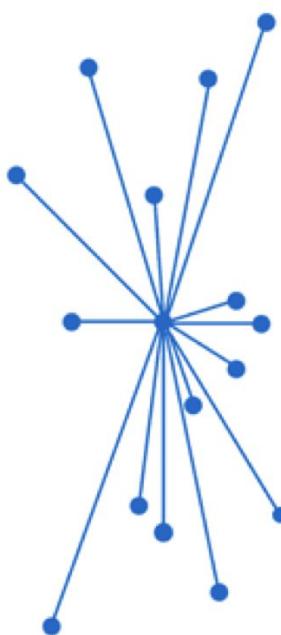
1998 - 2003

2004 - 2018

“Web 1”



“Web 2”



Centralization
→



Social Network +



Knowledge Network +



Commercial Network +



Mobile. Apps +



“Sharing” Network

Global Financial Crisis (2009)

The front page of The Times newspaper from Saturday January 3 2009. The masthead features the title 'THE TIMES' with a crest above it. Below the masthead is a weather forecast: 'Max 5C, min -5C'. The date 'Saturday January 3 2009' and website 'timesonline.co.uk' are also present. The main headline reads 'Chancellor on brink of second bailout for banks'. A sub-headline below it says 'Billions may be needed as lending squeeze tightens'. Other visible headlines include 'Salman Rushdie I won't marry again' and 'Giant killing? Guide to the FA Cup third round'. There are also columns for 'Sport' and 'Business'.

THE TIMES

Saturday January 3 2009 timesonline.co.uk No 69523

Max 5C, min -5C

£1.50

Chancellor on brink of second bailout for banks

Billions may be needed as lending squeeze tightens

Francis Elliott Deputy Political Editor
Gary Duncan Economics Editor

Alistair Darling has been forced to consider a second bailout for banks as the lending drought worsens.

The Chancellor will decide within weeks whether to pump billions more into the economy as evidence mounts that the £7 billion part-nationalisation last year has failed to keep credit flowing. Options include cash injections, offering banks cheaper state guarantees to raise money privately or buying up 'toxic assets'. The Times has learnt.

The Bank of England revealed yester-

day that, despite intense pressure, the banks curbed lending in the final quarter of last year and plan even tighter restrictions in the coming months. Its findings will alarm the Treasury.

The Bank is expected to take yet more aggressive action this week by cutting the base rate from its current level of 2 per cent. Doing so would reduce the cost of borrowing but have little effect on the availability of loans.

Whiteshall sources said that ministers planned to "keep the banks on the ball" but accepted that they need more help to restore lending levels. Formally, the Treasury plans to focus

on state-backed guarantees to encourage private finance, but a number of interventions are on the table, including further injections of taxpayers' cash.

Under one option, a "bad bank" would be created to dispose of bad debts. The Treasury would take bad loans off the books of troubled banks, perhaps swapping them for government bonds. The toxic assets, blamed for poisoning the financial system, would be parked in a state vehicle or "bad bank" that would manage them and attempt to dispose of them while "detoxifying" the mainstream banking system.

The idea would mirror the initial proposal by Henry Paulson, the US Treasury Secretary, to underpin the American banking system by buying

Continued on page 6, col 1
Leading article, page 2

99p

Pub chain cuts the price of a pint from £1.69 to 1989 levels

Business, page 47

Salman Rushdie I won't marry again

Pages 22, 23

Giant killing? Guide to the FA Cup third round

Sport

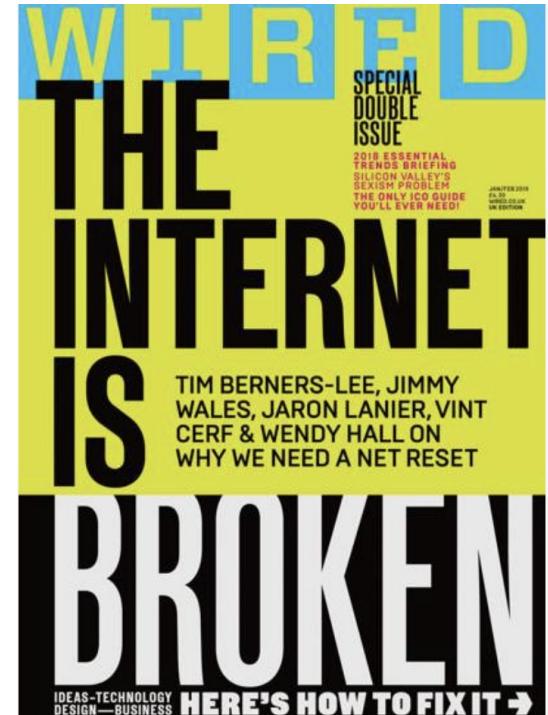
Financial
Engineering
Revealed
Structural
Issues in
Global
Financial
System

The Internet is Broken (2018)

These are problems of economics, and human nature, but also by design.

The economics of the internet have created two new currencies: data and attention. **A decentralised model would seek to put that data back in the hands of users rather than web giants.**

That's complicated, but the intention is simple: to try and level the playing field before it's too late.



“Wealthy societies around the world are facing a growing crisis of confidence in established authorities.”

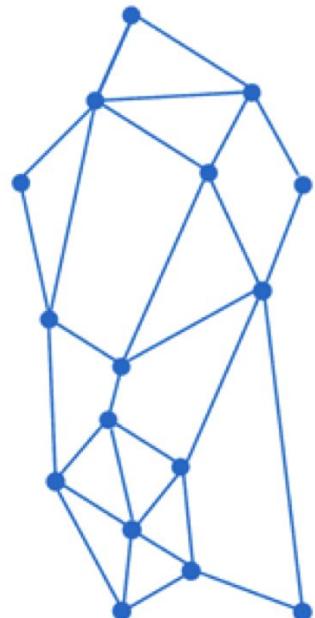


Vitalik Buterin, May 21, 2018

Blockchain Technology & Web 3 : Trust Protocol

1992 - 1997

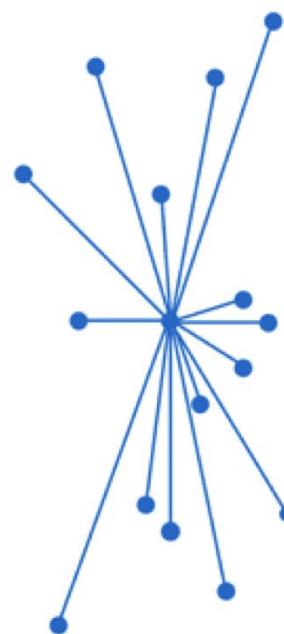
"Web 1"



1998 - 2003

2004 - 2018

"Web 2"

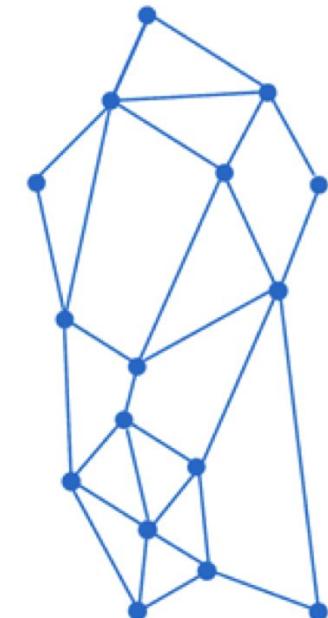


Centralization
→

2009 - ??

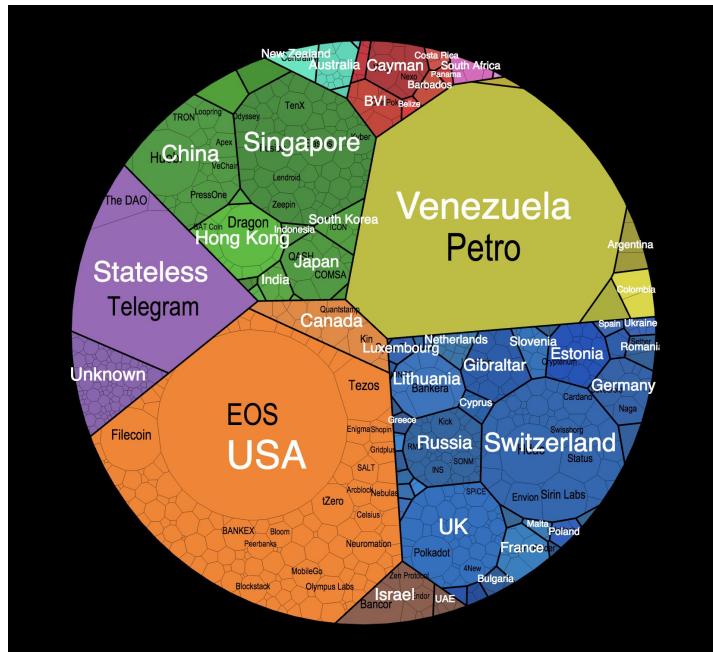
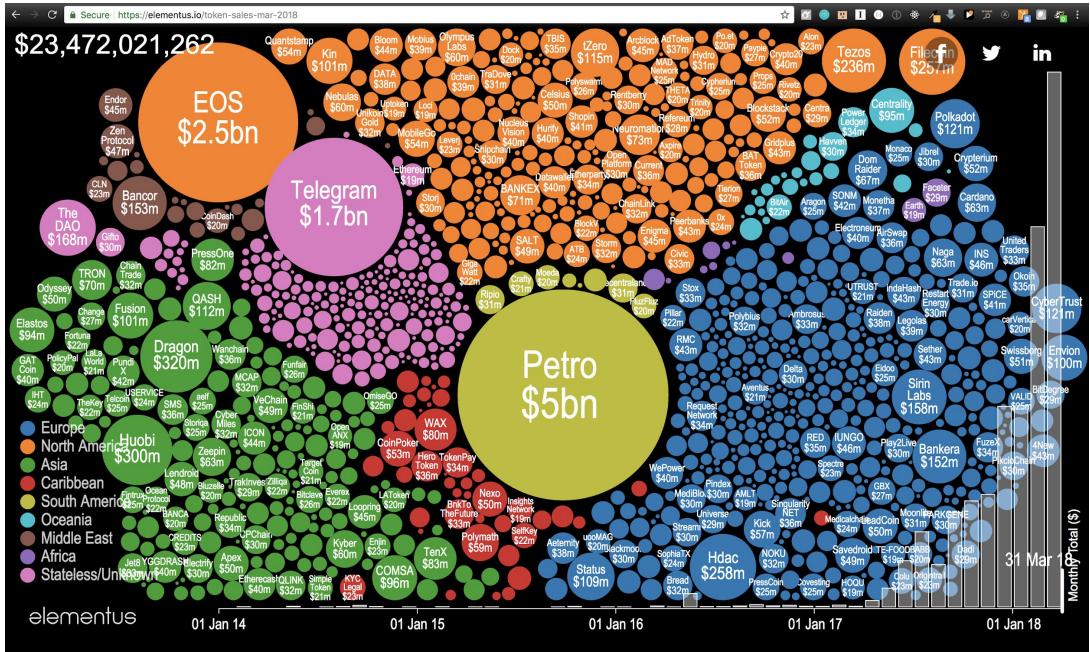
Decentralization
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"Web 3"



Initial Coin & Token Offerings (2014 - 2018)

Tokenomics of Innovative Crypto Projects

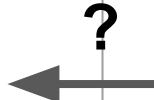
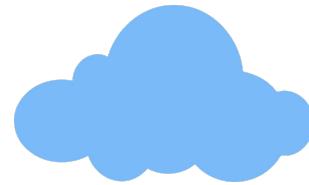


Governments, Banks, and Blockchain

- Why IMF Wants to Enter Crypto Market With its Own Coin (**Oct.2017**)
- MORGAN STANLEY: Here's how the rise of cryptocurrencies could change the way central banks deal with future financial crises (**May.2018**)
- Morgan Stanley is Racing to Lead the Wall Street Pack into Crypto (**May.2018**)
- Why Coinbase's Cryptocurrency Business Could Jump 50% (**May.2018**)
- State and Provincial Regulators in U.S. and Canada Target Initial Coin Offerings (**May.2018**)
- Regulators Crack Down on Crypto Scams via 'Operation Crypto-Sweep' (**May.2018**)

How will Regulation Evolve?

Decentralized



Centralized



Regulated

Unregulated

Today's Socio-Economic Questions

What is the future of banking and finance?

- Can decentralized cryptocurrency models disintermediate the establishment?

What is the future of corporations?

- Does massive centralization make sense?

What is the future of privacy and liberty?

- Can we trust centralized entities with our personal data?

What is the future of governments ?

- How can nations manage (monetary policy, taxation, etc) with state-less decentralization?

Thank You!



Alan Wunsche
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Chair & Co-Founder, Blockchain Canada



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