

Choosing Cryptocurrencies

- In terms of selecting coins, there are even more options. Coinmarketcap.com (a great resource) currently lists over 900 types of cryptocurrency.

- Similar to investing in stocks, you have to pick the right sector and the right team. Some of the prominent sectors and coins include:

- Currency: Bitcoin, Bitcoin Cash, Litecoin, Decred, IOTA
- Privacy Currency: Monero, ZCash, Dash
- Smart Contracts: Ethereum, Cardano, Tezos, NEO, Qtum, Aeternity
- Managed Funds: Blockchain Capital, Iconomi, Melonport
- P2P Lending: SALT, Ripio Credit Network, WeTrust
- Private Marketplace: District Ox, Particl

About Us

Our team consists of Andrew Warshaver and Max Staplin, both from Allentown, PA, who have known each other for over 15 years. Andrew Warshaver, our technical founder, has a computer science degree from Carnegie Mellon and has several years of experience with high frequency trading on Wall Street and with developing smart contracts on both the Bitcoin and Ethereum networks. Max Staplin, our business/legal founder, graduated from George Washington University Law School and has worked at a boutique law firm in Philadelphia for the past six years.

Email us anytime at founders@dewmrax.io.

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Guide to Investing in Cryptocurrency

DEWMRAX Inc. is a cryptocurrency investment company that currently focuses on autonomous high frequency trading. We have prepared this handout to help you start safely investing in cryptocurrency entirely on your own.

What is Cryptocurrency?

The SEC has called it a security, the CFTC has called it a commodity, and the IRS treats it as property. Technically speaking, cryptocurrency is a scarce, digital asset that is maintained by a peer-to-peer network of computers, generally using blockchain (or distributed ledger) technology. You can think of each cryptocurrency as a globally shared database that tracks balances for individual accounts and lets you transfer between them.

Acquiring Cryptocurrency

The easiest way for U.S. citizens to acquire cryptocurrency is to create an account at Gemini or Coinbase. If you are familiar with an order book and prefer a full exchange interface, we recommend Gemini. If you prefer a simpler experience, we recommend Coinbase. High volume traders may want to consider an OTC desk such as Cumberland Mining. We recommend purchasing either Bitcoin or Ethereum to start because most crypto markets and ICOs are denominated in these currencies.

Storage

There are several options when it comes to storing your cryptocurrency, try to select one that fits your individual needs and level of technical understanding.

Storing on Exchanges

⚠️ - Even though you have purchased your first cryptocurrency, you don't actually own it yet. Instead, either Coinbase or Gemini owns it on your behalf, and they owe a debt to you. This distinction is important due to exchange risk, which could result in loss of funds if: (a) the exchange's assets are seized by authorities, (b) the exchange is hacked, or (c) the owners of the exchange decide to exit scam and steal from their customers.

- Coinbase and Gemini are relatively secure, but exchange risk still exists and is heightened if you start trading on smaller exchanges or exchanges based in other countries.

Storing on Wallets

- Because of exchange risk, many individuals store their cryptocurrency on a personal wallet. Software wallets are an option, but we highly recommend a hardware wallet for any substantial amount of funds.

- A hardware wallet is a dedicated physical device that keeps private keys off your computer and therefore minimizes exposure to hacks.

- We recommend the Ledger Nano S and the Trezor hardware wallets. For more information on how to choose between these two types and how to set up your wallet, please visit our website at dewmrax.io.

⚠️ - The primary risk of using a personal wallet, whether hardware or software, is user error. If you lose your device or mnemonic or forget your passphrase, you may never be able to recover your cryptocurrency.

- For advanced users, more sophisticated custodial options are available, such as the Coinbase Vault and BitGO Cold Storage. These options provide a middle ground between storing on an exchange and storing on a personal wallet.



Next Steps

Once your initial cryptocurrency funds have been secured, there are a number of options of where you can go from here, ranging from investing in ICOs, day trading, or spending your cryptocurrency with merchants.

ICOs

- Some investors select one or more cryptocurrencies to hold long-term, often by investing in an initial coin offering (ICO). In the future, utility of these newly-issued coins may increase as the underlying technologies develop. Investing in ICOs is extremely risky and requires a high degree of trust in the entrepreneurs leading the project. The other side of this risk is that ICOs offer the possibility of extraordinary returns.

⚠️ - Always conduct thorough due diligence before investing in an ICO by contacting the team and reviewing third-party sources at websites such as Smith and Crown and ICORating.

Choosing Exchanges

- At some point after an ICO, the team will make the coin available for trade on secondary markets. Many investors trade existing coins listed on exchanges, and there is an active day trading community.

- There are dozens of exchanges, but if you want to diversify outside of Bitcoin and Ethereum, we recommend Binance and Bittrex for U.S. citizens. Both of these exchanges list a large number of cryptocurrencies, have a responsive trading engine, and offer good support.