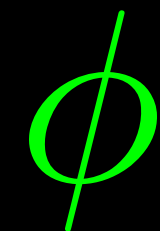




Decentralized commercial banking and stable currency _



Problems With Commercial Banks

Massive infrastructure, HR
& compliance costs

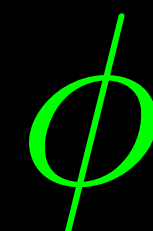


Chronic bad judgement
making loans



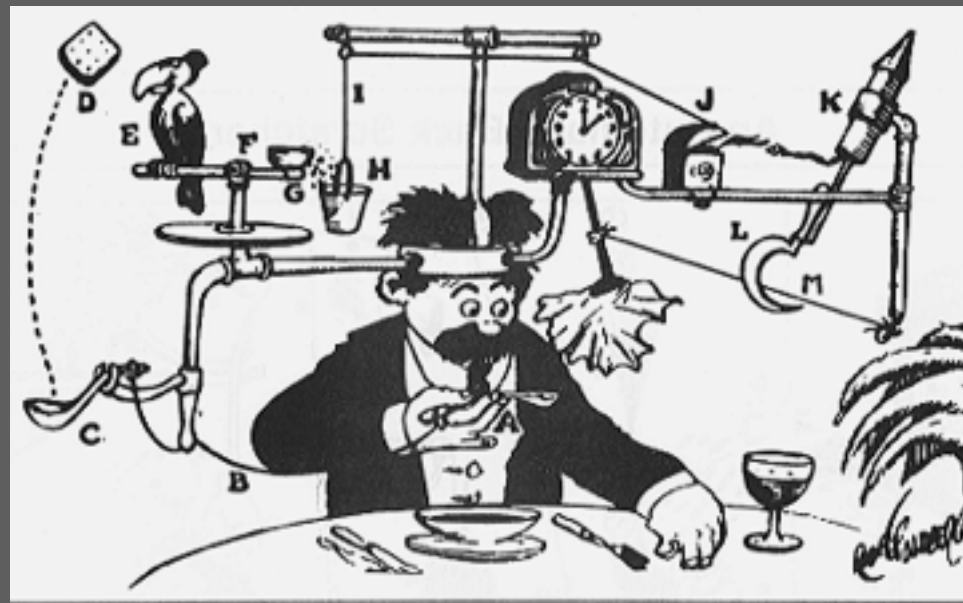
Major danger to civil
liberties

We are closing your bank account.
You were involved in crypto.
No appeals process !!!



Stable Coin Challenges

Tokens stabilized using
ETH, market makers, margin calls...

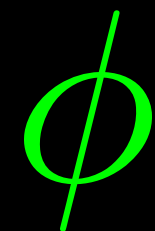


- Rube Goldberg systems -
- Many failure modes -

“Colored coin” tokens
backed by banks

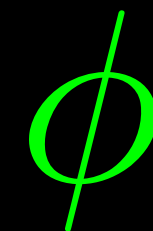


- Banks will dictate policy -
- People, contracts “authorized” -
- Banks add geography/jurisdiction -
- Different coins not fungible -

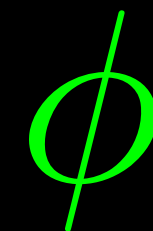
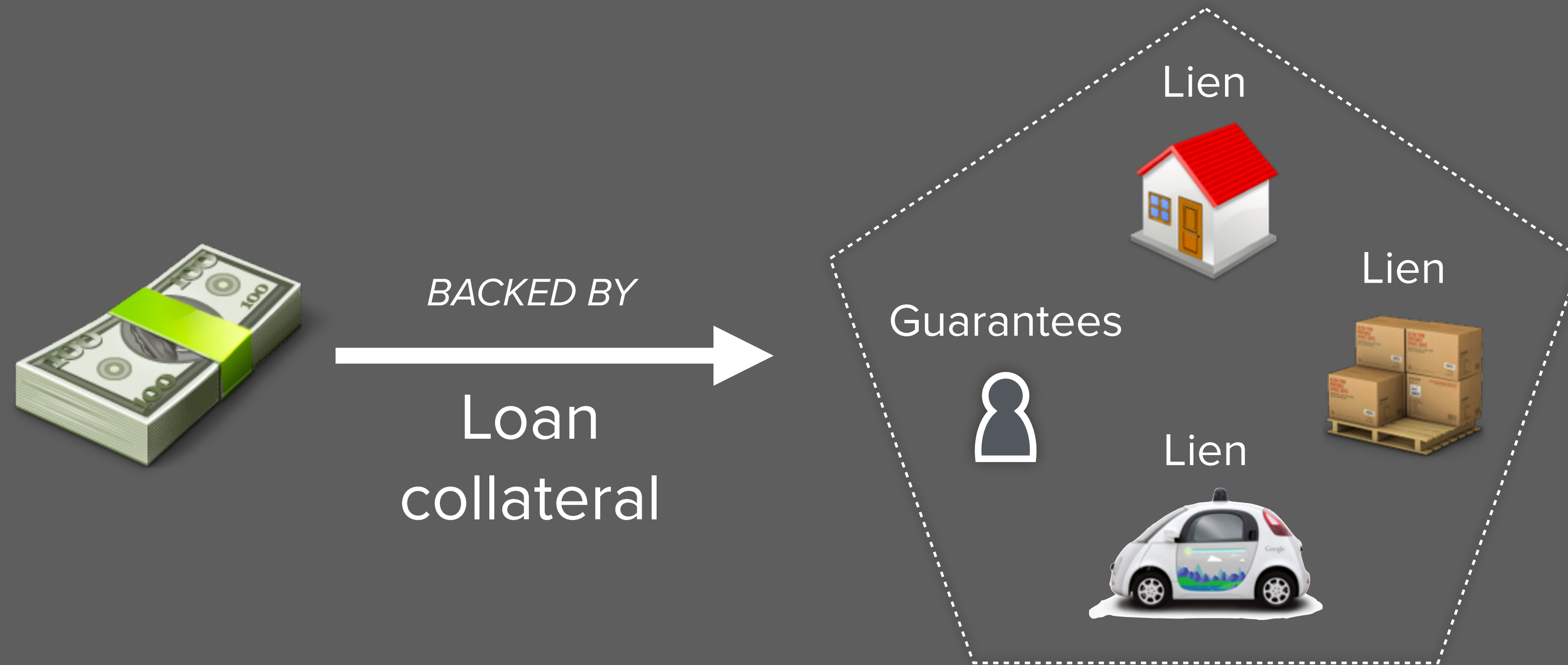


Fiat Money

FACT 98% of money is created by commercial banks

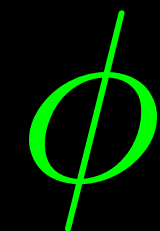


Fiat Money

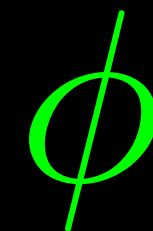
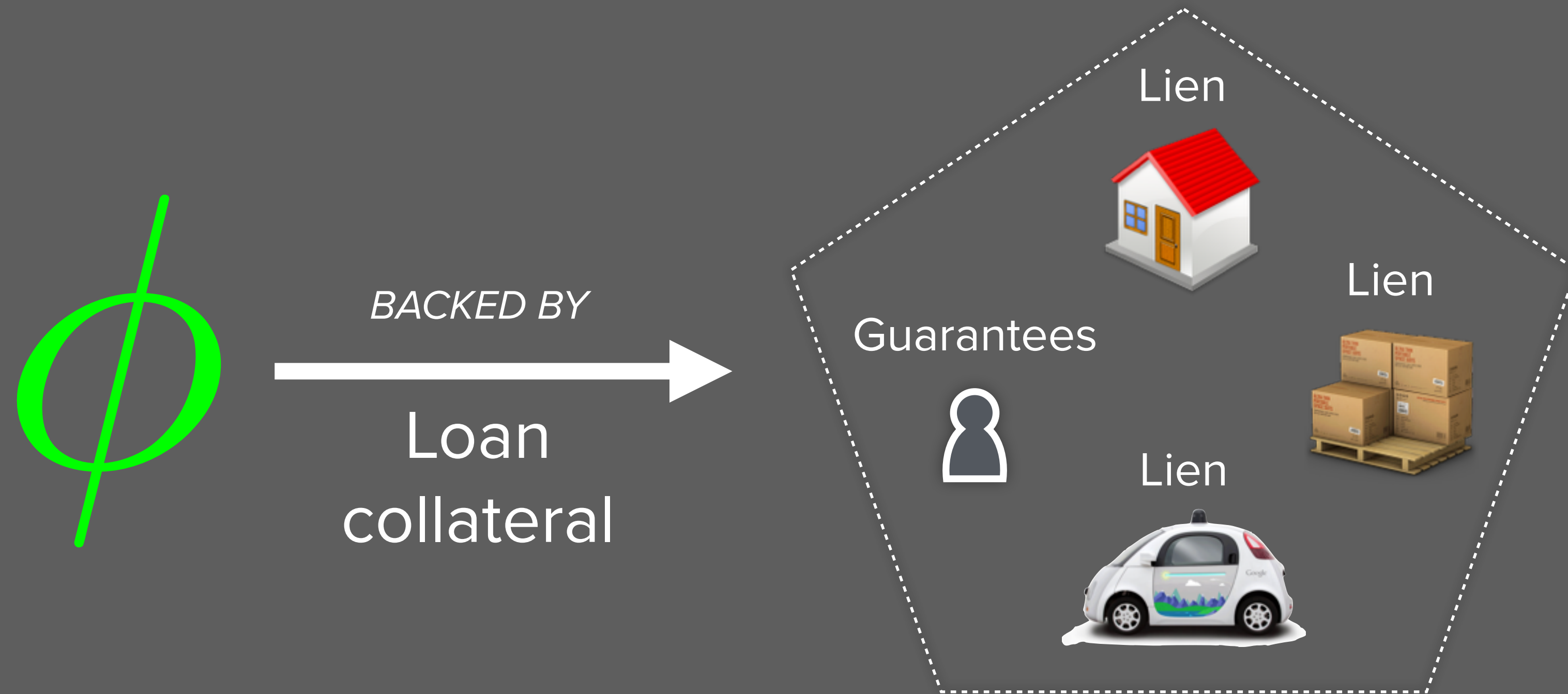


Ahhhhhhhhhhhhhhhhhhhh... make the World Computer...

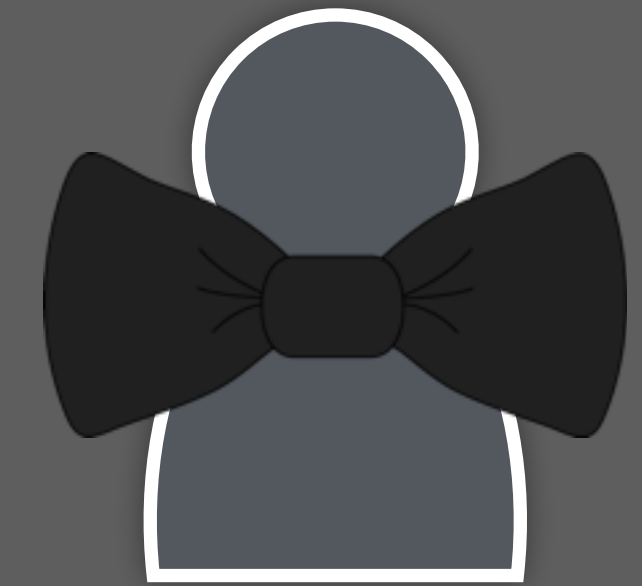
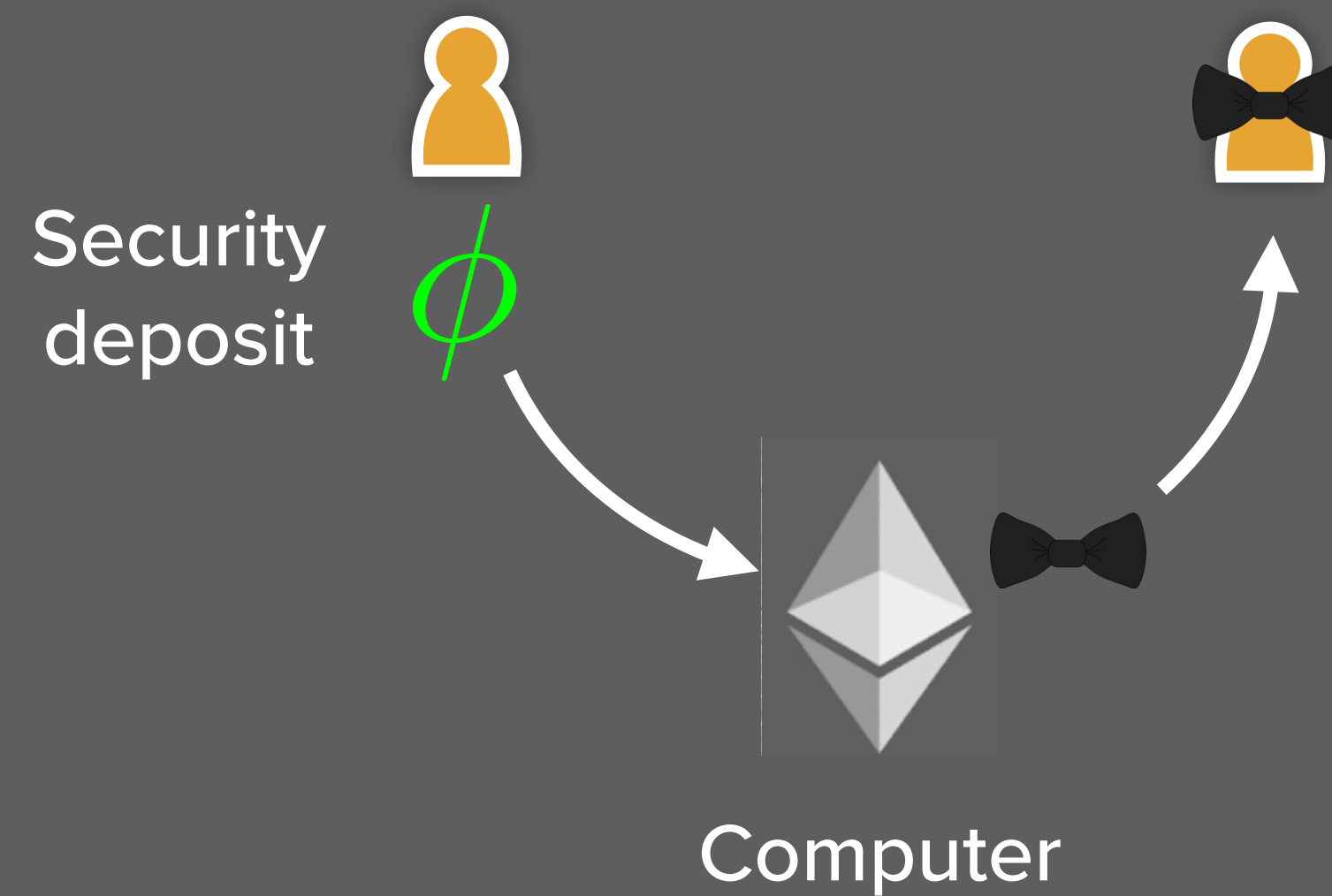
Give out loans algorithmically
& create stable currency backed by loan collateral



PHI Money



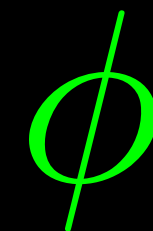
Anyone Can Be A PHI Validator



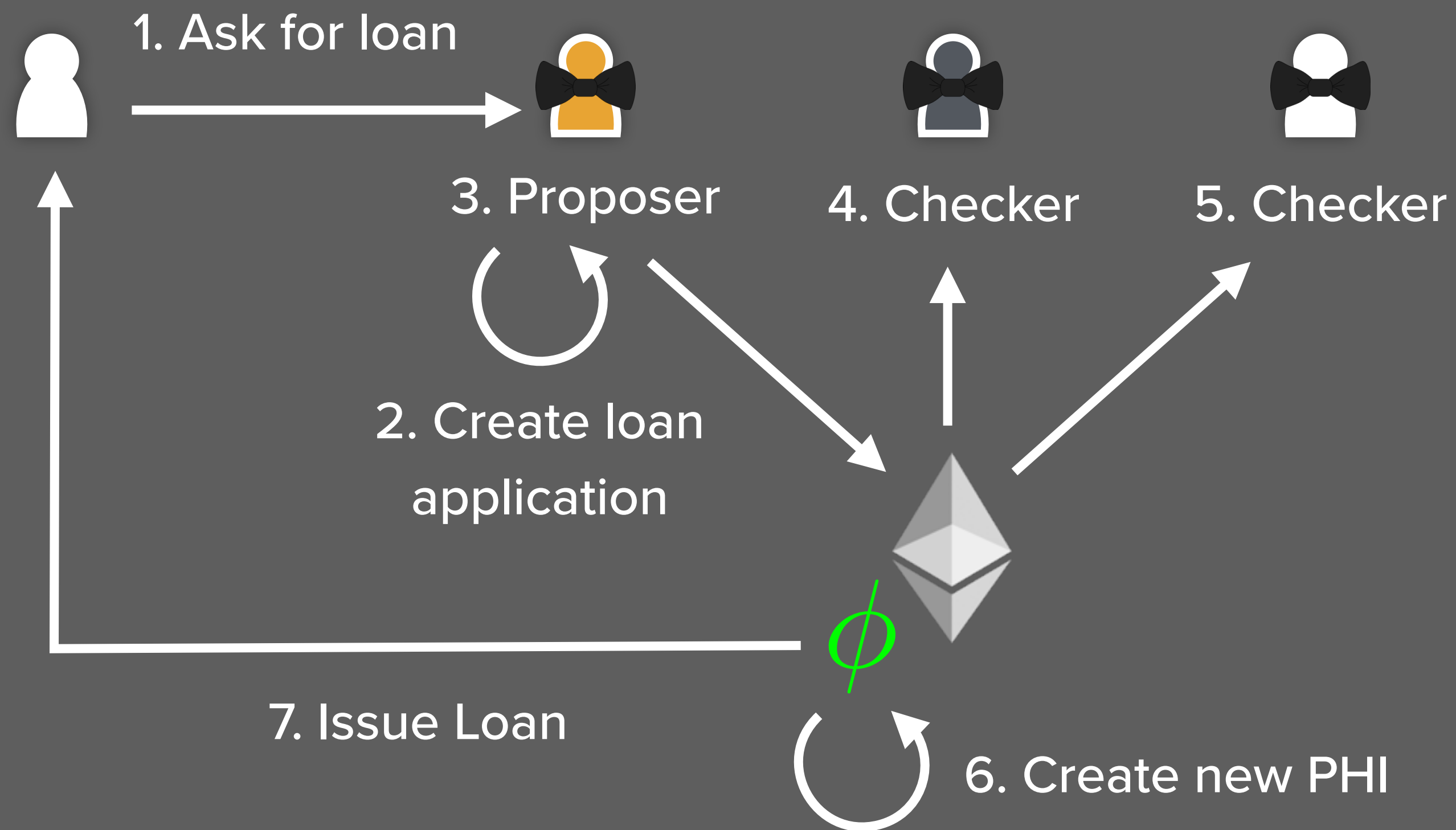
Example (paid in PHI)

Deposit	\$50,000
Max Loan	\$5,000
Max Loans	\$500,000

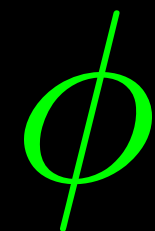
Anyone can become a PHI Validator by making a security deposit to the computer. If a loan you approve becomes delinquent the computer takes compensation from your deposit.



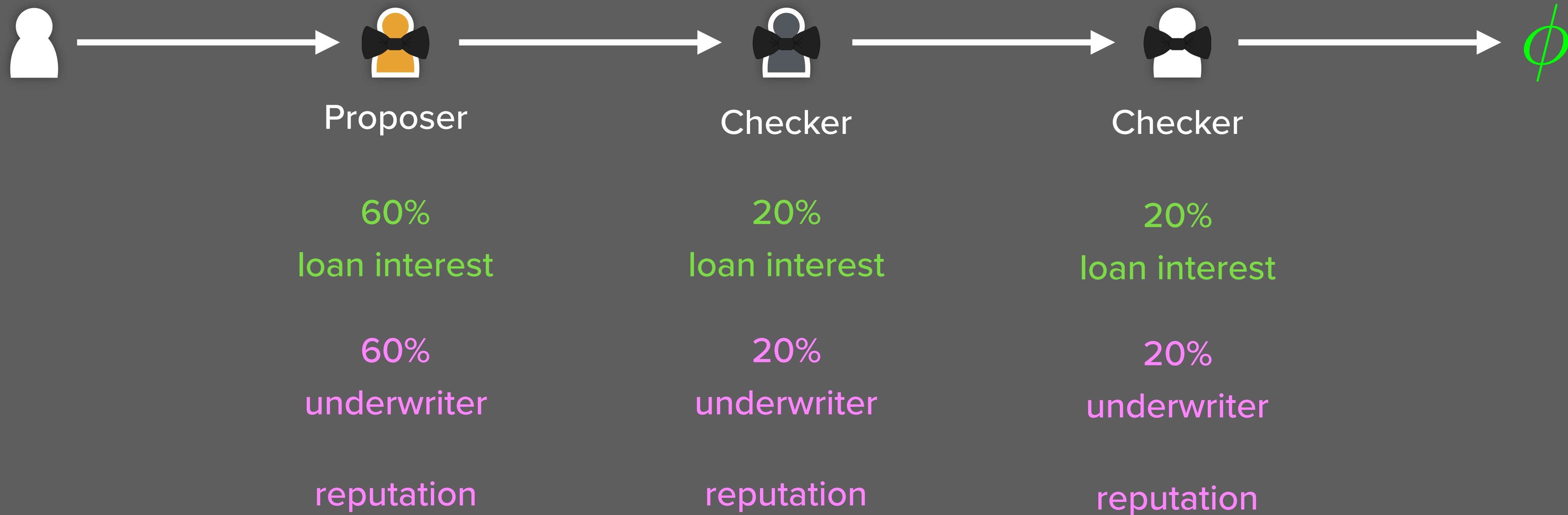
How Computer Issues Loans



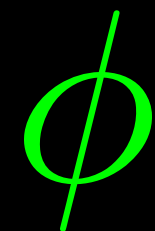
- ▶ Random sequence validators
 - Nobody knows who's next
- ▶ Choice validators
 - Size of their deposit
 - Reputation
- ▶ Loan package
 - Uses open source std.



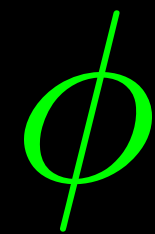
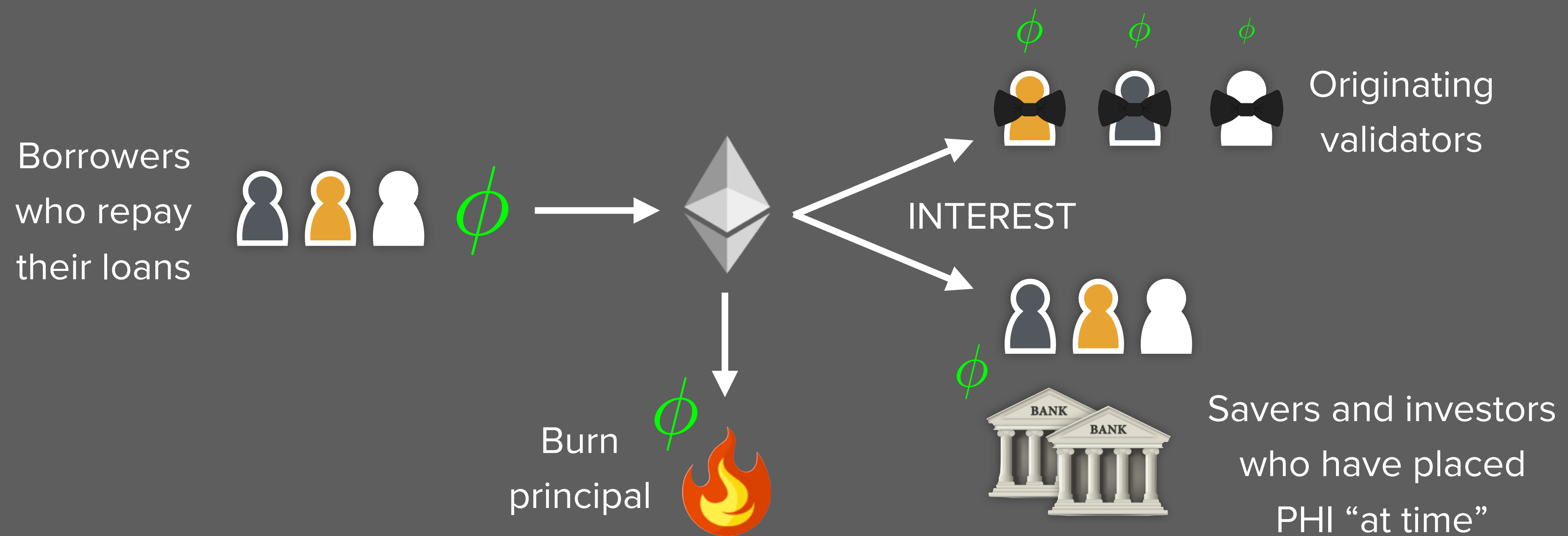
Validator Incentives



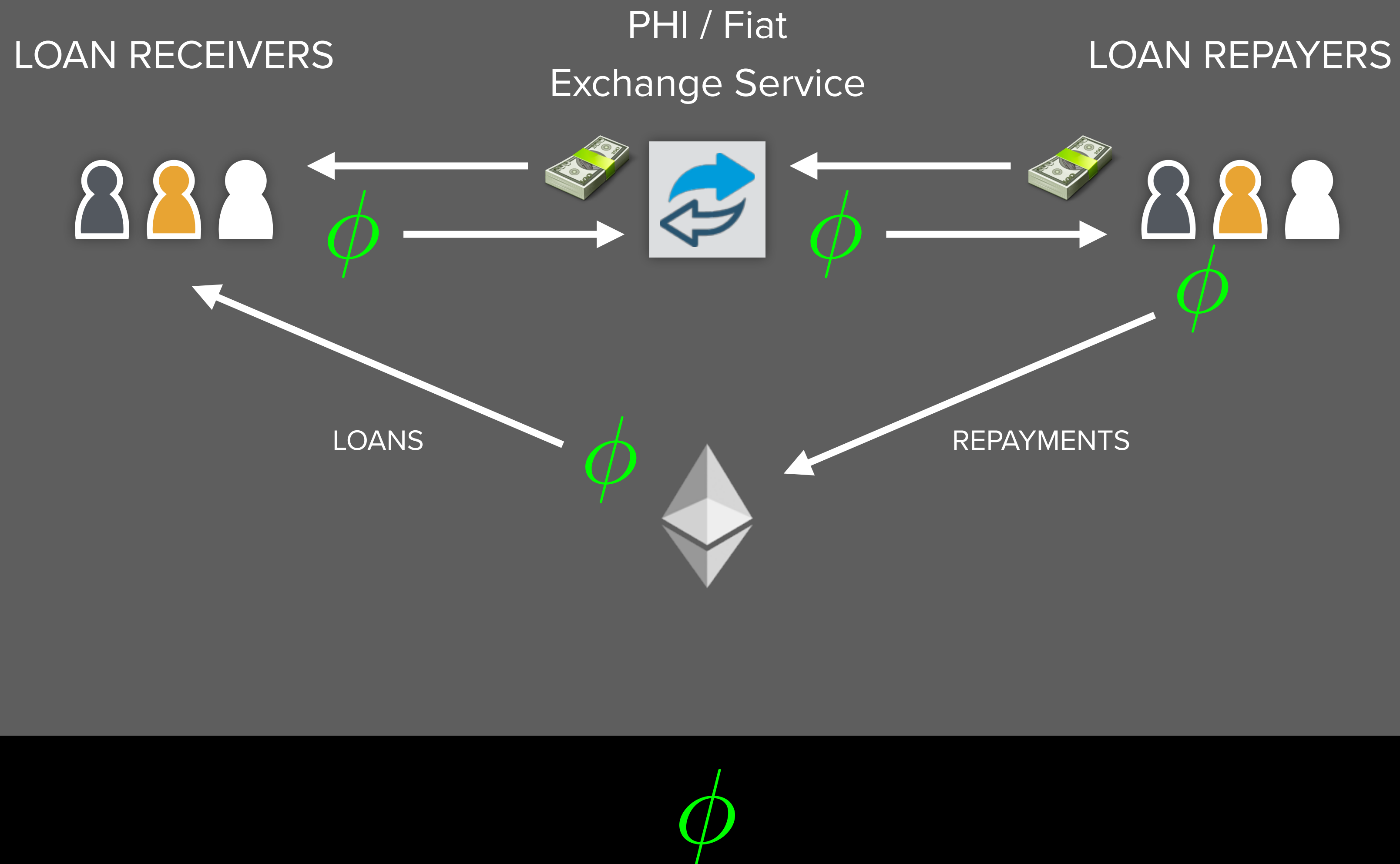
EXAMPLE



PHI Interest Generation



Basic Market Balance

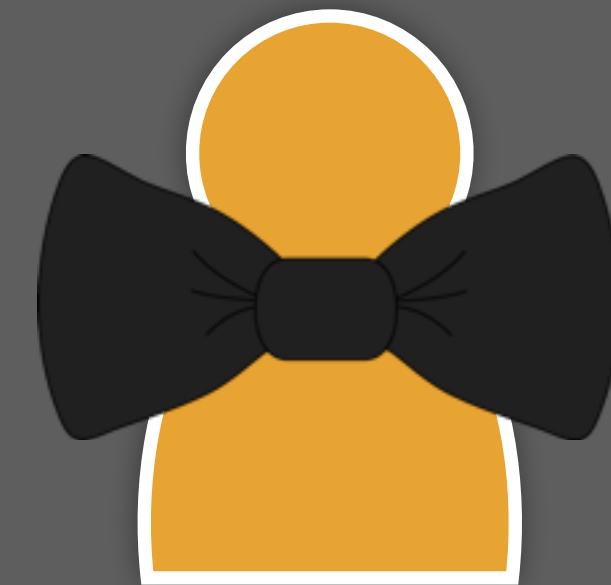


Legal Force No Banks

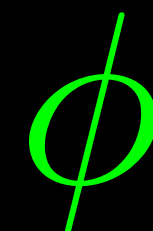


DELINQUENT
REPAYER

You did not repay the computer !!!
The computer took repayment
from my deposit. Our original
contract now activates, and you
owe ME the money !!!



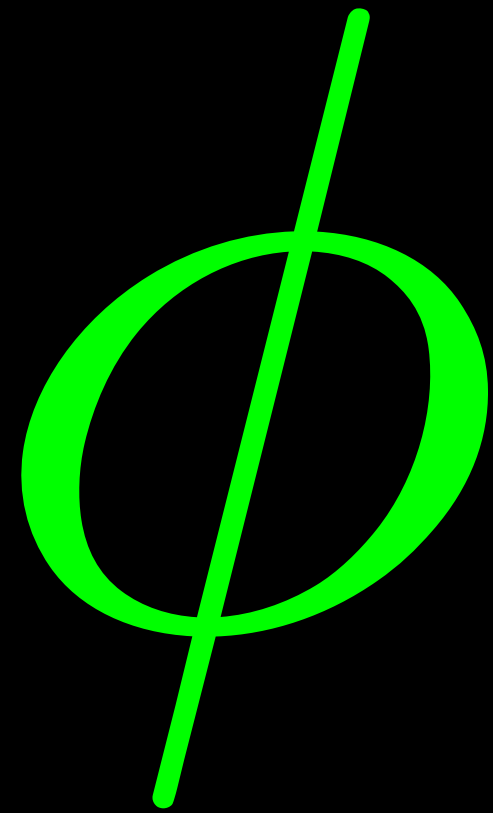
ANGRY
VALIDATOR





[http:// **twitter.com** /dominic_williams](http://twitter.com/dominic_williams)

[http:// **twitter.com** /string_lab](http://twitter.com/string_lab) string



Decentralized
Commercial Banking



string