CheckSig
TRANSPARENT BITCOIN CUSTODY

Your Bitcoins, Safe and Easy
Solutions for High-Net-Worth Individuals and Institutional Investors

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How it started…

"Bitcoin is a fraud"
Jamie Dimon, 2017

"Warning to cryptocurrency investors"
Jay Clayton, 2017

"Bitcoin is not a real currency"
Jerome Powell, 2018

...how it's going

"Our clients are adults. We can give them access"
Jamie Dimon, 2021

"No plan to ban crypto"
Gary Gensler, 2021

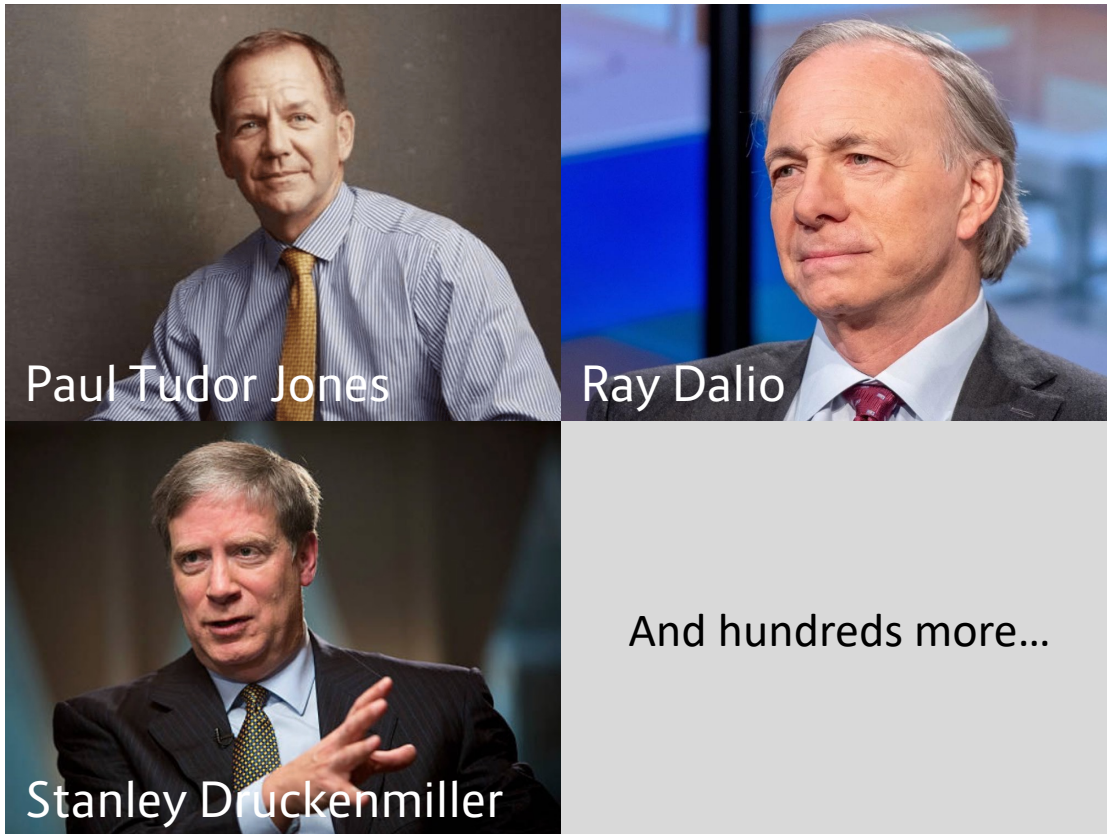"Fed had no intention to ban or limit the use of cryptocurrencies"
Jerome Powell, 2021

Bitcoin is now sought after by the most sophisticated investors

Affluent and HNW Individuals

Paul Tudor Jones

Ray Dalio

Stanley Druckenmiller

And hundreds more...

Institutional Investors

Corporate trasuries

MicroStrategy®

Square

TESLA

Futures and options

CME Group

Cboe

Bakkt

Tier 1 banks

Fidelity INVESTMENTS®

Goldman Sachs

J.P.Morgan

ETF/ETP providers

VanEck®

WisdomTree®

21SHARES

Challenges for Bitcoin investors

Simplicity

- Bitcoin exchanging is still a far west: even for educated traditional investors it's **not so easy to tell apart reputable platforms**
- Onboarding and funding **processes are complex and cumbersome**, and trading interfaces not so intuitive
- **Simpler interfaces** (e.g. fast lanes, market buys) are **very expensive**
- Most solutions are **focused on self**-service, while first time **HNW investors seek advisory/assistance**
- Typical **entry ticket of affluent clients is "psicologically significant" but still too small to get OTC** desks' attention

Buying Bitcoins, especially for significant amounts, is still a high friction experience

Security

- **Bitcoin is a "bearer instrument"** and it can only be spent by using secret (private) keys
- **Losing the secret keys means losing the associated Bitcoins**: no one can recover them
- **Secret keys** are usually stored in "wallets"; however
  - Hot (online) wallets can be **hacked**
  - Cold (offline) wallets can be **lost or stolen**
  - Passwords can be **forgotten**
- **Inheritance** problem: how do heirs acquire the secret keys?
- **Personal safety** problems: coercion, violence, ransom, etc.
- **Traditional cyber security is not a good fit** for Bitcoin storage

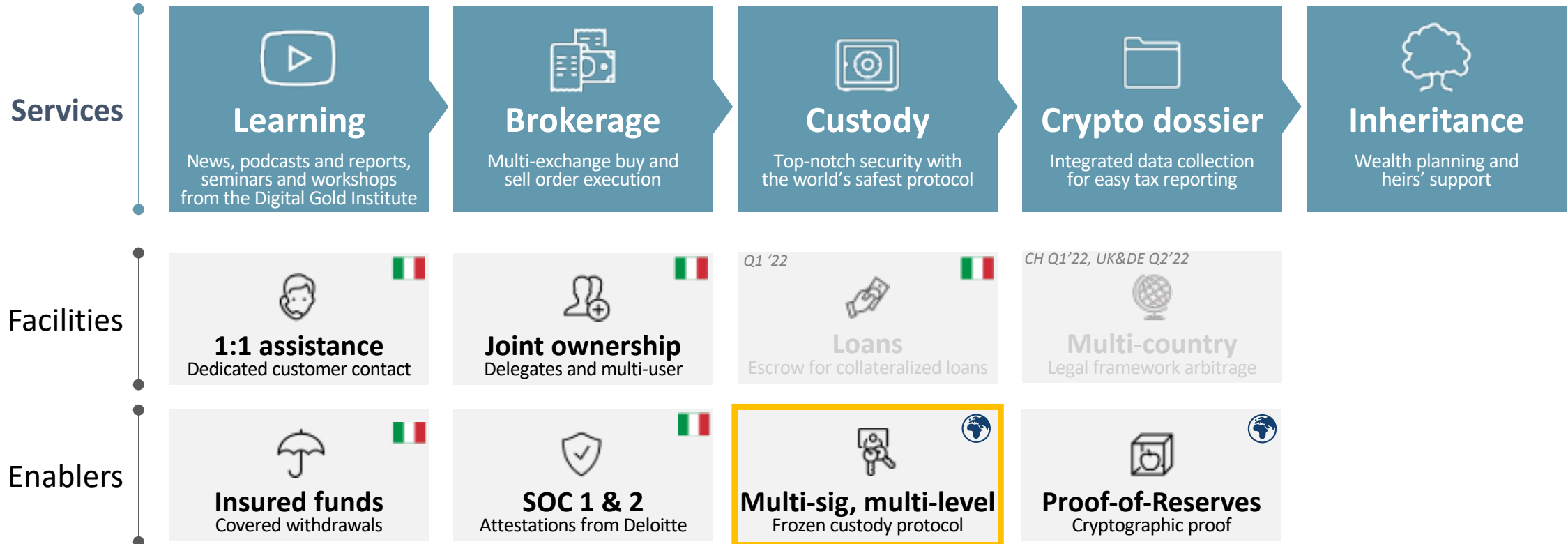**Dealing with Bitcoins requires sophisticated technical skills and domain knowledge**
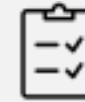
Compliance

- Many exchanges –even the most reputable- **don't provide an easy and strong audit trail** to prove origin of funds and gains/losses
- **Tax laws are in the making**, and most tax **advisors have little to no experience** in crypto

Complying with the law is often cumbersome and impractical even for best intentioned investors

A "bank-like" bitcoin solution for Affluent Individuals and Institutions

CheckSig
TRANSPARENT BITCOIN CUSTODY

Services

Learning	Brokerage	Custody	Crypto dossier	Inheritance
News, podcasts and reports, seminars and workshops from the Digital Gold Institute	Multi-exchange buy and sell order execution	Top-notch security with the world's safest protocol	Integrated data collection for easy tax reporting	Wealth planning and heirs' support

Facilities

1:1 assistance	Joint ownership	Loans *Q1 '22*	Multi-country *CH Q1'22, UK&DE Q2'22*
Dedicated customer contact	Delegates and multi-user	Escrow for collateralized loans	Legal framework arbitrage

Enablers

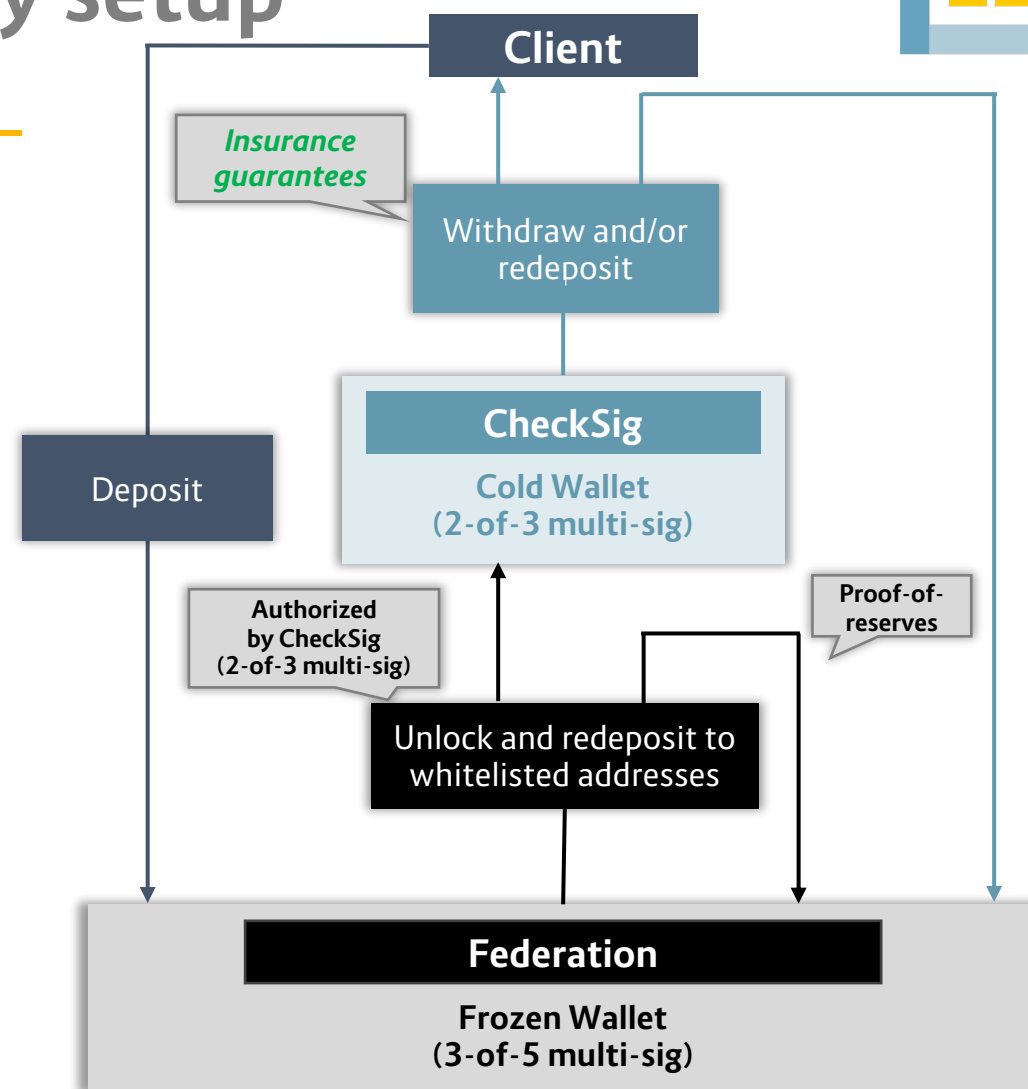| Insured funds	SOC 1 & 2	**Multi-sig, multi-level**	Proof-of-Reserves
Covered withdrawals	Attestations from Deloitte	Frozen custody protocol	Cryptographic proof

Multi-sig, multi-level custody setup

Disconnected from the internet as defense from remote hacks, CheckSig custody solution has two levels of storage: the "cold" and "frozen" wallets

- Clients deposit to the frozen level. The frozen level, where all assets are securely stored, is managed by multiple external and independent legal entities, the federation agents. Each entity has a customized (**locked-down) hardware security module** (HSM) device that can open the vault (i.e., move coins) only if:
  1. authorized by CheckSig
  2. 3-of-5 legal entities approve it
  3. coins go to the cold wallet and/or back to the frozen one

- The cold storage is empty, but for the amount being withdrawn and covered by insurance guarantees. CheckSig manages the cold wallet. It can move coins only if 2-of-3 CheckSig agents sign the transaction, usually moving coins to:
  - a client, upon a withdrawal request
  - back to the frozen wallet (if, for whatever reason, the withdrawal is cancelled)

PUBLIC PROTOCOL
See checksig.io/custody-protocol

Client

Insurance guarantees

Withdraw and/or redeposit

Deposit

CheckSig
Cold Wallet
(2-of-3 multi-sig)

Authorized by CheckSig (2-of-3 multi-sig)

Proof-of-reserves

Unlock and redeposit to whitelisted addresses

Federation
Frozen Wallet
(3-of-5 multi-sig)

Proof of Reserve

Proof-of-reserves transactions

Finally, check out below our proof-of-reserves transactions and explore them on-chain. The current consolidation address is bc1qqst9un5sz8576fy2nnqkpm4rpfh0weveqwtt8zxgjp02g2mx5q7s2vresu.

Transaction	Block	Deposits	Fee	Withdrawals	Asset Under Custody
Oct 29, 2021	707296	90.43568346	0.00018396	6.65512106	281.47372438
Sep 30, 2021	702884	11.65154583	0.00016460	6.80705070	197.69334594
Sep 1, 2021	698527	13.90389341	0.00007370	0.00000000	192.84901541
Aug 2, 2021	693809	4.97480450	0.00016214	0.00000000	178.94519570
Jul 2, 2021	689351	32.06748252	0.00051181	0.00000000	173.97055334
Jun 2, 2021	685857	8.95164489	0.00027216	0.00000000	141.90358263
May 1, 2021	681372	7.24822810	0.00030954	0.00000000	132.95220990
Apr 1, 2021	677275	21.21598524	0.00057939	1.00000000	125.70429134
Mar 1, 2021	672666	22.78825901	0.00051181	0.00000000	105.48888549
Feb 2, 2021	668707	0.00000000	0.00004851	0.00000000	82.70113829

LIVE at checksig.io/por

Provably Solvent

PoR
Proof of Reserve

+

PoL
Proof of Liabilities

=

PoS
Proof of Solvency

Cryptographic

Through
External Audits
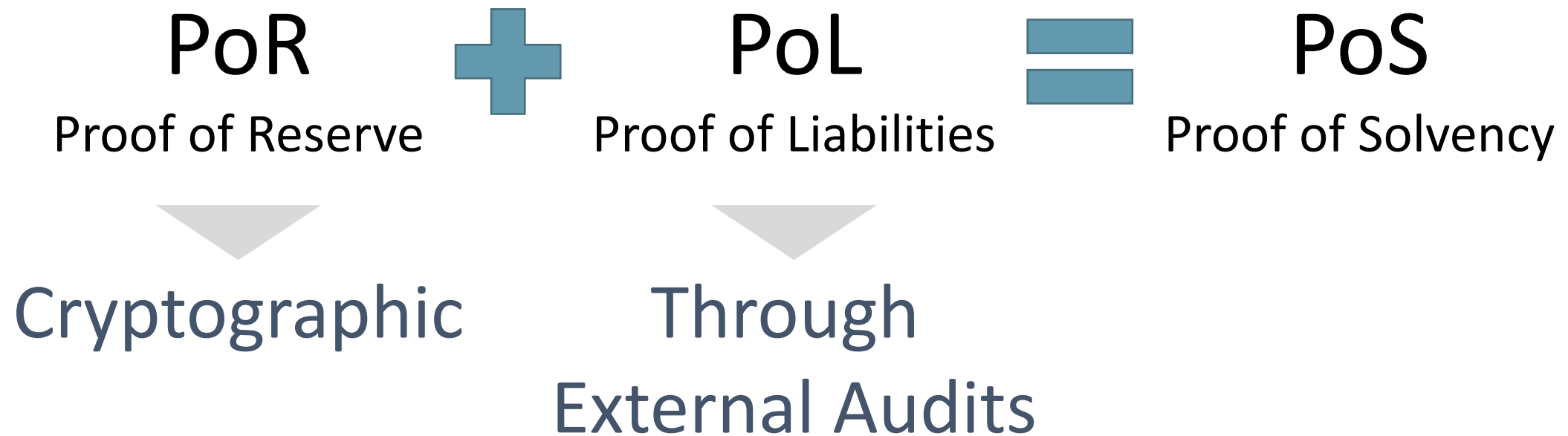
CheckSig
a new standard for transparent bitcoin custody

CheckSig
TRANSPARENT BITCOIN CUSTODY

Is a proud member of the
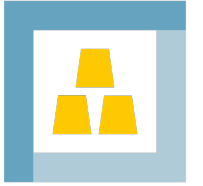
COPA **Crypto Open Patent Alliance**

Along with Coinbase, Kraken, Blockstream and many others

A **non-profit** community to **remove patents as a barrier to growth** and innovation:

- COPA members pledge **never to use their crypto-technology patents against anyone**, except for defensive reasons, effectively making their **patents freely available for all to use**
- members pool all of their crypto-technology patents together to form a **shared patent library**

Thank you!

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