

# The SwiftCoin Club

## Introduction



### **B**ACKGROUND

People have been using intermediaries to safely transfer money across great distances for thousands of years, long before banks appeared in the 15th century.

In India this activity is known as Hundi. It is a

decentralized global money transfer method that relies on individual/family/clan loyalties and an honour code.

The defining characteristic of Hundi is that the money is transferred between the sender and recipient without actually moving cash or things of value. Money transmitter accounts are settled on spread sheets. Shame, ostracism and disgrace befall a Hundi agent who reneges on his obligations.

The sender will approach a local Hundi agent usually by referral, then give him the cash to be remitted. The Hundi agent will then call another Hundi agent in the recipient's town. The receiving agent will be instructed to issue a certain amount of cash in local currency to the recipient. In addition, the sender will independently contact the recipient to confirm the transaction details.

In the meantime the two Hundi agents settle their debts in a number of ways. A commercial invoice for merchandise is issued or a bank settles the debt owed to the recipient's agent in the local currency. Or, the debt is repaid when when other clients transfer funds from the initial recipient's town to the sender's.

This "wire transfer," no matter its size, can get done in a matter of hours. Hundi is largely out of sight of financial bodies and regulatory authorities. Billions of dollars are routinely transferred using an ancient method that is inherently more efficient and safer than services offered by modern financial institutions.

These institutions, e.g. Western Union, are well established. Their clients shoulder inconvenience, high costs and high risks. For many people, banking is an ordeal. The mere possession of cash or remittance of money is considered a suspicious activity. Small wonder that consumers and merchants are looking for alternatives and bitcoin made its debut in 2009.

In addition, unlike Hundi, financial institutions require the recipient to travel to a money transfer agent. The ubiquity of cheap phones now permits mobile money transfer firms such as M-Pesa to reshape the banking industry. Their limitation however, is that money remains in digital form on the user's phone. Enter SwiftCoin Club.



## OUR MISSION IS TO MAKE CASH MOBILE

The SwiftCoin Club replaces the high cost, bank driven financial model with consumer driven financial inclusion. Every smartphone can be a pocket sized bank branch that processes withdrawals. In the hands of Tellers, the SwiftCoin wallet is a full-fledged asset management and money transfer system.

[www.SwiftCoin.Club](http://www.SwiftCoin.Club) is the world's first digital cash, peer to peer money transfer network. SCC Tellers represent a global, shared network of consumers helping each other easily deposit and withdraw cash from Tellers using the SwiftCoin app anywhere in the world. Founded in 2015 by Daniel Bruno, serial entrepreneur and global mobile-banking visionary, our team is committed to forever changing how the world moves money.



Since 2010, Team Daniel Bruno has been a pioneer of digital money and debt instruments such as the Solidus Bond, which have earned patents in the United States. Their newest endeavour, the SwiftCoin Club, is a blockchain money transfer franchise that enables consumers to deposit and withdraw cash from anywhere in the world.



## TARGET MARKET

The SwiftCoin Club aims to capture the \$500 Billion remitted globally each year. By storing digital cash directly in the phones of Tellers, SCC creates a peer to peer global network of money transfer players who need

not actually transport any money across borders or trust one another to settle accounts as in the Hundi system. Tellers charge a fee of their own choice and set their own exchange rates, enabling them to adapt to local conditions and eliminating the need to oversee their accounting. SCC guarantees liquidity amongst Tellers, making both large and small transactions fast and practical and substituting the SwiftCoin block chain for the trust needed in Hundi.

## BUSINESS MODEL

Team Daniel Bruno (TDB) and the SwiftCoin Club (SCC) are not money service businesses (MSBs).

TDB sells its software in units of SwiftCoin to Tellers for cash up front at one SwiftCoin to one U.S. dollar and collects a monthly flat fee of \$39 for the trusted Teller listing at [www.SwiftCoin.club](http://www.SwiftCoin.club)

This fee allows the Teller commercial use of its proprietary digital currency SwiftCoin. SCC does not monitor transactions or charge Tellers and end users any commissions. Tellers are essentially franchisees who set their own terms and conditions and are solely responsible for compliance with federal, state and local statutes.



The ideal Teller is a well established and fully compliant MSB with market share, e.g. a convenience store with a Money Gram window already in operation.

By collecting the bulk of our revenues up front, the risk from Teller underperformance is mitigated. By steering clear of actually transferring money or collecting commissions on the same, we greatly reduce regulatory and compliance risk.

## THE FIVE YEAR FRANCHISE MODEL

Tellers will swap from US\$5000 to US\$25,000 for the equivalent number of units in SwiftCoin and pay US\$39 monthly for the Trusted Teller listing at [www.SwiftCoin.Club](http://www.SwiftCoin.Club) for 60 months. The currency swaps and listing fee comprise our revenue stream.

Tellers are actually super-users (not legal franchisees) who set their own fee to send SwiftCoin to another Teller who then pays out the equivalent in local currency to the end receiver.

The SwiftCoin Club requires Tellers to independently comply with all regulatory requirements in their respective jurisdictions.



## GROWTH STRATEGY

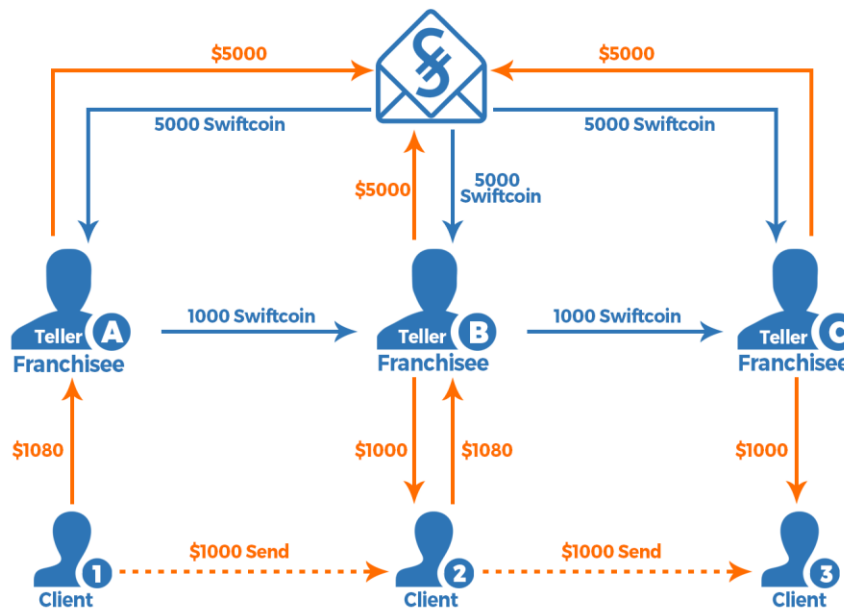
Investors see huge potential for the SwiftCoin Club modern Hundi model on a global scale, especially in Asia, Latin America and Africa, where low tech barter and cash economies are bypassing the banking phase altogether and going straight to mobile payments and virtual currency.



# NUTS AND BOLTS

The SwiftCoin Club is simple.

The universe of people who understand crypto currencies is small; the universe of people who can benefit from blockchain technology is massive. Enter SwiftCoin Club.



Franchisee A signs up, buys 5000 units of SwiftCoin software for \$5000 and becomes listed as a Teller.

Franchisee B does the same. And franchisee C also does the same.

Client 1 meets Teller A, hands him \$1080 to send \$1000 to a recipient in the territory of Teller B.

Teller A sends 1000 SwiftCoin to Teller B.

Recipient 1 meets Teller B and collects \$1000 cash.

Teller A's balance sheet shows 4000 SwiftCoin and \$1080.

Teller B's balance sheet shows 6000 SwiftCoin and a \$1000 debit

Client 2 approaches Teller B to send \$1000 to a recipient in the area of Teller C.

Teller B receives \$1080 cash from client 2 and sends 1000 SwiftCoin to Teller C.

Recipient 2 collects \$1000 cash from Teller C.

Teller B's balance sheet now shows 5000 SwiftCoin and \$1080 cash.

# COMPETITION

According to TechCrunch, the ABRA network and app converts funds to bitcoin upon deposit but shows the balance to the user in fiat currency. Abra will guarantee the home currency value for the first 72 hours, making the transaction free of Bitcoin fluctuations in dollars or other currencies. The bitcoin is stored on the Teller's device, thus avoiding the need to comply with money transmission regulations. According to ABRA CEO Barhydt, Abra uses self-settling short contracts built on the blockchain to protect Tellers from bitcoin volatility. Counter-parties, drawn from across the bitcoin economy, go long on the hedge to share the risk.

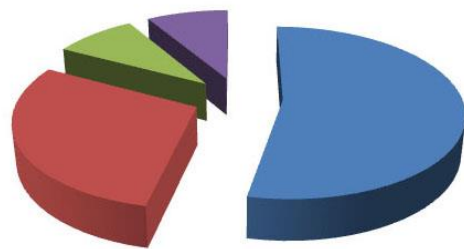
This is unlikely to work as advertised because finding counter parties to speculate that bitcoin prices will fall in just the right amounts to cover the fluctuating balance of Teller bitcoin is not a problem that anyone can solve without creating new losses when bitcoin rises. The volatility of bitcoin creates irresistible pressure to speculate on its price. As with other bitcoin based systems, as long as bitcoin is flat or increasing all is well, but when bitcoin prices tumble there will be losses. It happened at Mt. Gox and elsewhere.

## SALES CHANNELS

Money transmitters, travel agents and import-exporters would be our first choice. Tangential activity of businesses already established and in compliance with local statutes would have the highest chances of success.

With start up fees under 10K, the SwiftCoin Club franchise is one of the most affordable options available.

At M-Pesa, most of the agents, i.e. Tellers perform their functions as part of some other business, e.g. the 7-Eleven cashier who handles Moneygram transactions.







## LEGAL

Our legal opinion is that the blockchain creates a synthetic money transmission between Tellers but in reality, no money gets transmitted. Rather, debts are settled amongst Tellers. An exchange between Teller and end user falls into the category of sales. That said, the Bank Secrecy Act and state MSB licensing laws could be required of Tellers. Traditional money service businesses (MSBs) should register with the Department of the Treasury and virtual currency businesses (VCBs) may be considered MSBs. Registration is done through the Financial Crimes Enforcement Network of the United States Department of the Treasury (FinCEN). Registering with FinCEN is simple and can be done through the BSA E-Filing System.

## FinCEN

At any rate, the SwiftCoin Club prefers to play it safe and sell franchises to those already possessing fincen registration.

We have developed a Teller vetting process that includes guidelines for Tellers. Our equivalent of a franchise agreement spells out that Tellers may not violate laws in any state and may not use our software to further criminal activity.

To sum up, SwiftCoin Club steers clear of banking. It does not handle or move money, rather, it sells a franchise and software to Tellers who sell units of the software for cash to produce a synthetic money transfer. That said, as a prophylactic, Tellers should be in compliance with banking regulations as a condition to using our software.

## EXPENSES

We seek a marketing budget of 50K per month and a management expense account of another 50K for 24 months to launch the SwiftCoin Club.



The SwiftCoin Club is a spin-off and our fixed costs are few. The software has already been developed and paid for. We already have the personnel in place working on other projects. Cost of goods sold is near zero.



1000 Tellers by the start of year two and an annual growth rate of 15%. Take over by a larger firm after year five.

## TEAM

<http://johnmcafeeswiftmail.com/about>



## **KEY USER FEATURES OF SWIFTCOIN CLUB**

### **NO BANK ACCOUNT REQUIRED**

Using our network of tellers to deposit and withdraw cash means that no bank account, paypal or credit card is needed.

### **NO FOREIGN EXCHANGE RISK**

Every digital cash deposit and transfer is converted into the recipient's home currency at the time of receipt.

### **TRUSTED TELLERS**

Our Tellers are located in communities around the world. Just check [www.SwiftCoin.Club](http://www.SwiftCoin.Club) to locate the nearest Teller and view their hours, ratings and fees.

### **SAFE, SECURE AND COMPLETELY PRIVATE**

Our secure network ensures that sender's money will safely arrive to the recipient, every time. With no third party or bank involved in the funds transfer, every transaction is private.

### **INSTANT AND CONVENIENT**

Money transfers happen within minutes, even in urgent situations such as natural disasters. And with our growing network of Tellers, there is no need to travel long distances to withdraw money.

