
From: Vincenzo Iozzo [REDACTED] >
Sent: Thursday, September 11, 2014 9:55 PM
To: jeffrey E.
Subject: Re: Eureka! (maybe)

Fair point :)

Sent from my Iphone

On 11/set/2014, at 22:44, "jeffrey E." <jeevacation@gmail.com <mailto:jeevacation@gmail.com> > wrote:

im not shy , so far you have begun a long path, i would wait until your thoughts are congealed before getting excited

On Thu, Sep 11, 2014 at 5:39 PM, Vincenzo Iozzo <[REDACTED]> > wrote:

btw I never asked, but.. do you prefer if I don't email you? I'm currently decoding your output as:
no reply -> nothing to see here
some reply -> might be interesting to explore further

But if "no reply" actually is "leave me alone" that kind of screws my interpretation of things :)

Anyhow, let me know and I'll tune things appropriately

On 11/set/2014, at 22:32, Vincenzo Iozzo <[REDACTED]> > wrote:

> it's a bit long, but if you find the time to read the text below and you have opinions/suggestions - that would be great

>

> Begin forwarded message:

>

>> From: Vincenzo Iozzo <[REDACTED]> >

>> Subject: Eureka! (maybe)

>> Date: 11 settembre 2014 19:18:52 GMT+1

>> To: Joichi Ito <[REDACTED]> >

>>

>> I think I got it!

>>

>> So here's the plan, divided in 2 phases. I will also put this in an evernote note (I'll use the "plane read-list" notebook not to pollute evernote too much) so that you can read it later on. But just in case you have spare time here it is:

>>

>> Also unrelated but fun, I think I found a bug in the IRS tax code, in the sense that I think you can give out to employees ~1bitcoin without any taxation on it. That's because bitcoin is "property" according to the IRS and you can give to employees 'awards' that are "tangible personal property" up to \$400 w/o incurring taxation.

>>

>> Phase 1

>> The IRS has something called "Cafeteria plans" which is essentially a type of perk that is not taxed and people can use their allowance to pay for various kind of medical things (and a few other minor things).

>> Now I talked to Sandy and his partner that does the taxes part at the firm and it seems like a lot of companies give out 'fake dollars' to employees that represent the amount of money they can spend with their "Cafeteria plan".

>>

>> On top of that the IRS also defines a type of non-taxed perk called "No-additional-cost services", essentially a company can give to its employees perks that the company usually sell to customers if giving the perks doesn't cause additional cost

>> to the company. An example is an empty seat on a plane right for an airline.

>>

>> Ok so here's the plan: we replace the 'fake dollars' with a digital currency. The digital currency among other things has the clear advantage that it's easier to manage compare to 'fake dollars' plus I think it has benefits from a psychological POV in terms of people "owning" something, anyway..

>> On top of the digital currency we allow people to use an 'exchange' where they can barter things in exchange for this digital currency. Eventually once we get enough people with some handwaiving we can allow people from different companies to

>> exchange the currency and use "no-additional-cost services" from other currency. Eg: Say that Amazon can give to employees free computing power on AWS as a non-taxable perk (whether it's de-minimis or "No-additional-cost"). A guy from Google got coins from a guy from amazon and he can 'buy' AWS time.

>>

>> We can also have (maybe) cash prices for random coins that are drawn at the end of a year or something. This way people will be more encouraged to trade their stuff for the digital currency.

>>

>> important: Note that even if the tax benefits are not fully realized, companies might still be willing to do that. First because they can 'track' employees spending (to a certain extent), second because they don't immediately give away real money to employees and third because it's a more efficient system.

>>

>> Phase 2

>> Hopefully at this point we have enough companies enrolled and the IRS might look into this, so at this stage we go to the Treasury/IRS/Fed and tell them "Look all these companies are already using this currency to pay some of benefits of their employees, how about you make this approved and also allow companies to pay for services among themselves in this currency?". The benefit for the govt would be identical to the one mentioned in the "spaghetti" idea (traceability etc etc).

>>

>> Assuming we get the US gov on board we can later go to other companies&govts and propose they allow the currency as well. If they do the end result is that companies can trade across borders without having to worry about FX risks and stuff.

>>

>> Also in the proposal we ask the govt to give a tax break on the transactions company-to-company made in the new currency.

>>

>> If none of this works & the IRS doesn't shut the stuff in Phase 1 down, we still have a business. If this works and Phase 2 is fully completed, then we have a great business.

>>

>> If this doesn't work and the IRS shuts us down then we are SOL, but I guess you cannot hedge completely..

>>

>

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please note

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