

# Programmable Money and the Future of Contracts

UT Technology Law Conference  
May 25, 2017



**Christopher Brown**

Attorney at Law

[chris@brownlawatx.com](mailto:chris@brownlawatx.com)

512-438-9299



**Ross Ulbricht**

Investment Adviser and Entrepreneur  
Austin, Texas Area | Financial Services

Previous Good Wagon Books, Pennsylvania State University  
Education Pennsylvania State University

Connect

108  
connections



Contact Info

[www.linkedin.com/in/rossulbricht/](https://www.linkedin.com/in/rossulbricht/)



"This isn't about illegal payments. This is about control over transactional culture and knowledge, because he who controls them, controls the world."

— Charlie Shrem

**Bitcoin 1.0**

## Bitcoin 2.0



“Blockchain technology...is so profound that it will do for trusted transactions what the Internet did for information.”

—**IBM CEO Ginni Rometty**  
FinTech Ideas Festival  
January 2017

“The circulation of confidence is better than the circulation of money”

— **James Madison**  
*Statement at the Virginia Convention (1778)*

“What is needed is an electronic payment system based on cryptographic proof instead of trust, allowing any two willing parties to transact directly with each other without the need for a trusted third party.”

— **Satoshi Nakamoto**  
*Bitcoin: A Peer-to-Peer Electronic Cash System (2008)*

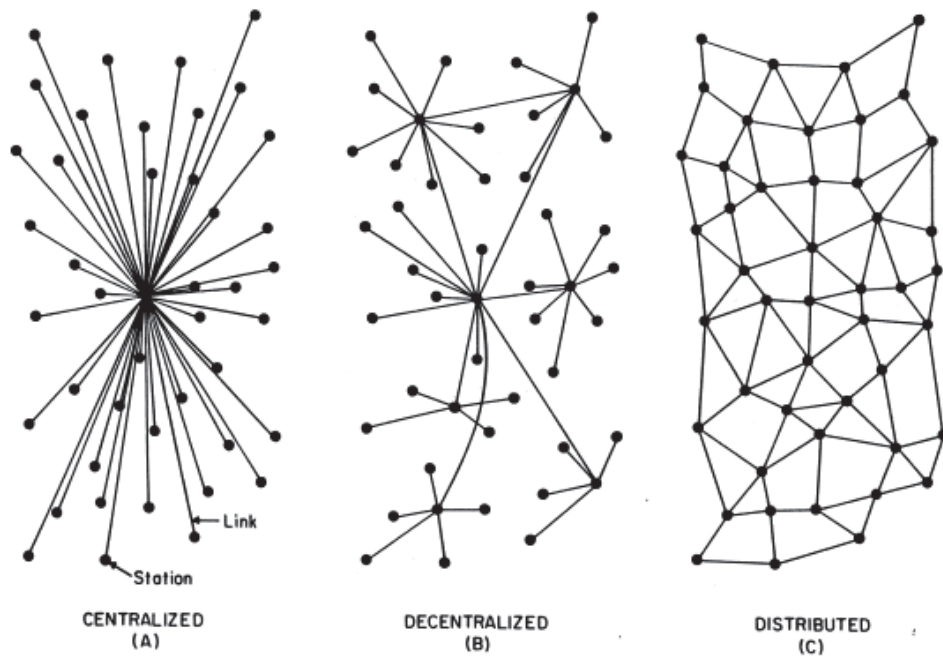
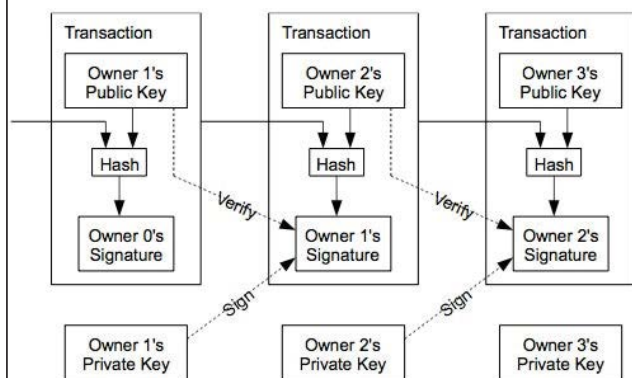


FIG. 1 – Centralized, Decentralized and Distributed Networks

## Anatomy of a Bitcoin transaction



### Diagram of a Bitcoin

from *Bitcoin: A Peer-to-Peer Electronic Cash System*, published in 2008 by "Satoshi Nakamoto".

- Alice holds 1 BTC in a virtual wallet with an associated public key and private key
- Alice wants to send the BTC to Bob, who also has a wallet
- Bob sends his Bitcoin wallet address/public key to Alice
- Alice creates a transaction message with Bob's address and the transaction amount
- Alice signs the transaction with her private key, and announces her public key for signature verification
- Alice broadcasts the transaction on the Bitcoin network for all to see.
- The transaction is verified by the Bitcoin network through cryptographic work of miners.

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Blockchain and Smart Contracts

Also available as part of the eCourse

[2017 Technology Law eConference](#)

First appeared as part of the conference materials for the  
30<sup>th</sup> Annual Technology Law Conference session

"Programmable Money and the Future of Contracts"