

EDUCATION

Certificate in Financial Planning, 09/20-03/21

Bryant University, Smithfield, RI, US.

Certificate in Investment Management Theory & Practice, 01/20-06/20

Yale School of Management, New Haven, CT, US.

Master of Science in Taxation, 01/15-04/16

Cumulative GPA: 3.67. Golden Gate University, San Francisco, CA, US.

Bachelor of Arts in International Relations: World Economics, 08/04-06/06

Cumulative GPA: 3.97, with Honours. University of California, Davis, CA, US.

Associate of Arts in Social Sciences, 01/02-05/04

Cumulative GPA: 3.94, Highest Honours. American River College, Sacramento, CA, US.

Concurrent Enrollment Agreement, 01/98-05/01

Cumulative GPA: 3.86. Mesa Community College, Mesa, AZ, US.

AWARDS

Professional & Academic

- Scholarship for MyMoneyPlan™, Financial Planning Association, 08/22
- Yale CIMA® Scholarship Award, Investments & Wealth Institute, 04/20
- Braden School of Taxation Merit Scholarship, Golden Gate University, 07/15
- Award for Health Care Tax Planning, Oakland Chamber of Commerce, 03/13
- Outstanding Client Service Award: Federal Tax Research, H&R Block, 03/13
- Citation for Outstanding Performance, University of California, Davis, 06/05
- First Year Scholar Award, University of California, Davis, 12/04

MEMBERSHIPS

Professional

- Investments & Wealth Institute, US
- Financial Planning Association, US
- International Academy of Collaborative Professionals, Int'l

EXPERIENCE

Managing Director | Financial & Legal Services, 09/23-present

Madrone Hill Capital, LLC, San Francisco, CA, US and Int'l

- Principal of a registered investment adviser firm: mhillcap.com
- Member of a collaborative financial planning and legal practice group.
- Alternative dispute resolution facilitative mediator and paralegal.

H. Wu, MTax, AFC®

- Fee-only fiduciary trained in financial planning and investment management.
- Tax specialist with M.S. in Taxation and CTEC Registered Tax Preparer since 2012.
- Trained in geopolitical analysis, sourcing and analysing research from global risk assessment firms.
- Brand manager for the firm and its subsidiary LLC. Created websites and built social media presence.

Executive Director | Financial Services, 07/20-08/23

MyMoneyPlan™, Berkeley, CA, US

- Founded a financial planning 501(c)(3) not-for-profit organisation.
- Developed outreach programmes and wrote 196 pgs. of resources: mymoneyplan.org
- Teamed up with Richmond LEAP, teaching two nights a week for six months in 2022.
- Participated in the Financial Planning Association Fall 2022 Residency programme.
- Partnered with Tax-Aide, tax counselling one day a week for three months in 2023.
- Approved by CFP Board of Standards to sponsor and teach CFP® continuing education.

Financial Services, 01/16-06/20

Independent Consultant, Berkeley, CA, US

- Founded TheMoneySpot™ tax planning and financial consulting business: themoneyspot.com
- Hedge fund consultant: Provided tax analysis and geopolitical research weekly for three years.
 - Introduced to the manager of Madrone Hill Fund LP/Madrone Hill Offshore Fund Ltd. £24.02mn.
 - Attended sector analysis meetings with traders, the fund manager, and other external consultants.
 - Advised on tax implications of carried interest and wash sales while EisnerAmper performed accounting.
 - Sourced and analysed geopolitical investment research from global risk assessment consulting firms.
 - Identified actionable information for fundamental analysis from news sources WSJ, IBD, and Briefing.com.
 - Adhered to IPS strategies of growth investing and long/short equity with positive portfolio net exposure.
 - Sponsored to attend Yale School of Management's Investment Management Theory & Practice programme.

KPMG, Walnut Creek, CA, US 01/16-04/16

- Completed M.S. in Taxation practicum course, participating in a hedge fund tax consulting practice.
- Researched securities and partnership tax laws relevant to alternative investment hedge fund clients.
- Created tax workpapers with Excel and compared data to prior year returns with GoSystem Tax RS.

Financial & Legal Services, 10/07-12/14

Independent Consultant, San Francisco, CA, US, Washington, DC, US and the Cayman Islands

- Conducted legal and tax research, working with third parties to locate clients.
- Self-employed and performed work on a contract basis. For example:
 - Legal support at Prudential Financial.
 - Federal tax research at H&R Block.
 - Paralegal at Weil, Gotshal & Manges.
 - Tax preparer for individuals and businesses.
 - Legal support to SunPower corporate counsel.
 - Legislative advocacy and analysis of H.R. 3590.
 - Conducted economic and tax research for PhD dissertation.
- Participated in professional development:
 - Completed legal writing and ethics courses at California State University, East Bay in CA, US.
 - Awarded a scholarship and attended a Practising Law Institute conference in Manhattan, NY, US.
 - Obtained CTEC Registered Tax Preparer credential & IRS PTIN, renewing them for over 10 years, CA, US.
 - Awarded by Oakland Chamber of Commerce for outreach & speaking on health care tax planning, CA, US.

H. Wu, MTax, AFC®

Financial Services, 02/00-09/07

Independent Contractor, Tempe, AZ, US and Sacramento, CA, US

- Processed auto loan applications for banks and reviewed claims for insurance corporations.
- Self-employed and performed work on a contract basis, coordinating with third parties.
 - Access to LinkedIn profile with six detailed examples available upon request.

Marketing Services, 09/98-01/00

Independent Contractor, Tempe, AZ, US and Scottsdale, AZ, US

- Wrote marketing content for businesses on nights and weekends, after day shifts and evening college.
- Editor and typographer of an annual trade publication for Scottsdale businesses in the interior design industry.
- Worked full-time to cover expenses, as an emancipated minor, while attending Mesa Community College.

Housekeeping Services, 11/96-08/98

Independent Contractor, Tempe, AZ, US and Mesa, AZ, US

- Owned and managed a full-time house cleaning business to cover living expenses.
- Concurrent Enrollment: Students with day jobs met their education duty to Arizona in the evenings.
- Obtained permission from Tempe Union High School District to attend college in lieu of high school.
- At age 14, provided full-time cleaning services to pay bills, rent, tuition, and a car note on a Ford Taurus.
- Learned to read, write, and speak Spanish from working and living with native speakers of the language.
- To provide professional services, emancipated at age 16 based on income from this cleaning business.

BUSINESS OWNERSHIP

Financial Services

Sole Proprietorship

From 2000-2007, Wu was **self-employed** full-time as a financial services industry **independent contractor**.

Wu has lived in Northern California since 2001. But in the 1980s, rural Apache Junction, Arizona was home. Before the Arizona Indian Gaming Association was formed, the area was sparsely populated and undeveloped.

The tract of land was a junction where trails crossed. Later it was a gold mining camp. It was surrounded by the vestiges of once boundless territories. Parcels were carved out of the ancestral domains of five distinct nations.

To the north: Fort McDowell Yavapai Nation. To the south: Gila River Indian Community. To the east: White Mountain Apache Tribe. San Carlos Apache Tribe. To the west: Salt River Pima-Maricopa Indian Community.

While urban areas like Phoenix and Tucson were growing, former desert trading posts lacked infrastructure. There were no power lines or water pipes, only generators and water tanks. The phone wires were in town.

Those born in rural areas were isolated from faraway cities. They lived their lives like islanders cut off from the mainland. Desert indigenous peoples and ranchers maintained cattle, herded goats, and crafted jewellery to sell.

Homesteaders and ranchers homeschooled their children because the closest elementary school was hours away.

H. Wu, MTax, AFC®

The only schools were on tribal land reservations. Although Wu grew up living by Apache values, Wu was not permitted to join friends who attended tribal elementary schools. Wu learned by borrowing and reading books.

Wu read books about the Apache leader Geronimo, an expert in war tactics and operations strategy. But elders taught youths to be peaceful, self-reliant, and respectful of others despite cultural differences or disagreements.

Working alongside tribal jewellers, Wu became skilled in gem and mineral identification. Wu earned income through Apache loom beading. Wu also appraised textiles such as indigenous Hopi sashes and Navajo rugs.

Wu eventually relocated from Apache Junction to Mesa to take mathematics courses in Tempe. Wu attended a very small school. The total number of students enrolled from preschool to the 8th grade was less than 300.

In 1996, after completing the 8th grade, Wu started a full-time housekeeping business to cover living expenses.

At that time, it was common for children of migrant labourers to work day shifts to help support their parents. During the day, some children were responsible for their younger siblings. Others were parents themselves.

Wu was not in that situation. However, at age 14, Wu owned and managed a full-time house cleaning business to cover living expenses. Wu often worked day shifts near a secondary school that served migrant communities.

In 1997, Wu obtained permission from Arizona's Tempe Union High School District to take Mesa Community College courses in the evenings in lieu of state-mandated secondary school. It was called concurrent enrollment.

Concurrent enrollment was not a subsidised programme. It was only an agreement. The student promised they would fulfil their obligation to the state of Arizona by completing mandatory education by alternative means.

The form only required the signature of an adult who could attest to a student's need for concurrent enrollment.

Most alternatives to secondary day classes were night technical schools. However, Mesa Community College allowed high school aged students who passed entrance testing to enrol in evening college level courses.

Concurrent enrollment allowed Wu to keep managing the housekeeping business to pay bills and rent. Based on that business experience, Wu emancipated in 1998 at age 16. That gave Wu access to additional opportunities.

By 1998, Wu was collaborating with other professionals. On weeknights, after day shifts and evening college, Wu wrote marketing content for local business owners. On weekends, Wu networked and distributed flyers.

Wu also served affluent Scottsdale as editor and typographer of an interior design annual trade publication.

By December 1999, Wu had completed two years at Mesa Community College. Wu participated in a concurrent enrollment agreement signed by the administration of Marcos de Niza High School in Tempe, Arizona.

In February 2000, Wu's community college instructors in the business department helped Wu to become **self-employed** in the financial services industry as an **independent contractor**. Wu's specialty was insurance.

H. Wu, MTax, AFC®

Although Wu performed data entry for the first six months, Wu quickly became familiar with loan applications from commercial banks and claims from insurance corporations. As in prior years, Wu read books to learn.

To broaden skills, Wu job-shadowed an auto loan processor. To learn about insurance laws and risk management, Wu located and read through Chartered Property Casualty Underwriter coursework.

By October 2000, Wu had transitioned to processing auto loan applications and reviewing insurance claims.

Several banks and insurance corporations offered positions, but Wu was accustomed to the autonomy and responsibilities of being **self-employed**. Wu's goal was to expand services as an **independent contractor**.

Pursuing an interest in world economics, from 2004-2006, Wu completed a B.A. in International Relations: World Economics at UC Davis. Wu paid for all tuition, books, and housing with funds from **self-employment**.

In the 1990s, Wu had worked, taken courses, and read global economics books from Arizona State University.

In 1992, Wu attended a presentation by World Vision International, a charity founded in the 1950s to help children living in poverty. The speakers contrasted America's wealth with the conditions of countries in Asia.

Wu wanted to know why some countries were wealthy and others nations were poor. So in 1995, Wu asked a librarian for help to find books that explained it. They located books on history, economics, and globalisation.

Wu obtained textbooks on loan from Arizona State University library. Back in 1995, Google did not exist yet.

In January 1999, Wu told a career counsellor at Mesa Community College that Wu's goal was to understand the intersection between politics and global economics. As a job, Wu would research and explain it to others.

The career counsellor told Wu that no such job existed in Arizona. The counsellor advised Wu to obtain a B.A. in International Relations: World Economics. However, that degree was offered through UC Davis in California.

Wu was determined to accomplish that goal. In May 2001, Wu relocated to unknown California, established business contacts, and worked in Sacramento full-time as a financial services **independent contractor**.

Working full-time, Wu had maintained a 3.86 cumulative GPA at Mesa Community College in Arizona. In California, Wu continued working full-time. Wu also transferred to American River College in Sacramento.

The International Relations: World Economics programme at UC Davis had a foreign language requirement. Wu was able to read, write, and speak Spanish from working and living with native speakers of the language.

To strengthen the application for admission to UC Davis, Wu worked as a Spanish tutor at American River College. For a summer, Wu also completed training at the Universidad de Salamanca Berceo in Madrid, Spain.

In Madrid, Wu was trained as a Spanish teacher. Wu spent £2,374 on tuition, which is equivalent to £4,026 in today's GBP. Wu also paid for international flights and accommodations. At age 21, it was Wu's first air travel.

H. Wu, MTax, AFC®

Although Wu worked full-time during the two years Wu attended American River College, Wu had a cumulative GPA of 3.94 and earned an Associate of Arts degree in Social Sciences with Highest Honours.

However, Wu was told by the UC Davis financial aid office that Wu was ineligible for academic scholarships. Wu had not taken SAT exams (GCSEs/A-levels). Wu had a college degree, but lacked a high school diploma.

Wu was told secondary school students take the SAT during the spring of their 3rd year or fall of their 4th year.

Since the 1990s, Wu had been totally consumed with work, college, and reading about economics. Wu was not knowledgeable about high school. Wu had no reason to allocate valuable time to research what it involved.

Wu had been saving up for the world economics degree since 1999, so Wu had enough to pay the full tuition. But Wu was told that due to the lack of high school data points, Wu did not meet admission requirements.

After research, Wu figured out how to bypass those requirements, applying for a guaranteed transfer agreement. State law required the UC system to accept a set number of students from local two-year college programmes.

By 2004, Wu had eight years of full-time work experience. Wu had worked continuously from age 14 to 22. The UC Davis degree was important. Wu wanted to give it full attention. So Wu applied for financial aid loans.

Wu had saved enough for tuition, but needed Federal Student Aid loans to cover housing and living expenses. After Wu completed the FAFSA, Wu was given a report of an expected family contribution. It was incorrect.

The report indicated that someone had claimed Wu on their income taxes as a dependent from 2001-2003. IRS records showed that a taxpayer making £63,076 in 2003, which is £106,958 in today's GBP, had claimed Wu.

Wu reported the fraudulent activity to the Internal Revenue Service, working with agents to rectify the matter.

In the meantime, Wu tried to get a private education loan through a bank. Wu was denied. It turned out the same individual who illegally claimed Wu on income taxes had also used Wu's data to open credit card accounts.

Wu had never applied for a credit card or bank loan. The car note Wu carried years earlier was seller-financed.

When Wu investigated how data was compromised, Wu discovered it had been taken from a 1998 studio flat rental application. Wu filed a complaint against the former landlord and disputed reports with credit agencies.

Although Wu worked full-time while attending UC Davis, Wu had a cumulative GPA of 3.97 with Honours.

Despite having to pay for tuition, books, and housing, completing the International Relations: World Economics programme through the UC Davis College of Letters and Science was a turning point in Wu's career and life.

The intellectual brilliance of professors such as Omnia El Shakry and Christina Siracusa inspired Wu for years to come. The guidance of Ken Barnes, Assistant Director at the Internship and Career Center, was invaluable.

As a combined degree in political science and global economics, the courses included both: (1) The political and economic history of western civilization from the post-Columbian era to present, and (2) Econometrics.

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In addition to world trade and development, the coursework covered the political and economic history of the US, Europe, former Soviet Union and Maoist China, and Latin America. World religions were also included.

During the degree, Wu conducted research and wrote analytical papers on international political economy (IPE). Wu's research focused on the impact of geo-economics and international monetary policy on financial markets.

Geo-economics is related to geopolitics. It has been defined, in layman's terms, using the following definitions:

(1) The use of economic instruments to promote and defend national interests, producing beneficial geopolitical results, and (2) The cause and effect nexus of one nation's economic actions and another's geopolitical goals.

Here is an executive summary of the knowledge gained through the research, writing, and analysis required to complete an International Relations: World Economics degree at UC Davis with a 3.97 GPA and Honours:

After completing the degree, one will spot more trends in global economics and understand the interplay of internal and external political and economic factors that have contributed to the rise and fall of nation-states.

One will gain critical thinking skills, recognising patterns in the conduct and intentions of Russia and China.

For example, clearly Bridgewater is nearly unparalleled in capacity for and scope of research. It may not have the primary innovation focus of ARK Invest, but the firm understands the economic potential of generative AI.

Likewise, Bridgewater's Head of AI & Machine Learning Investment Strategy, a graduate of University of Chicago's B.S. in Computational and Applied Mathematics, has been leading a team to develop algorithms.

As a systematic approach to carrying out micro equity research at scale, it is an investment reasoning engine.

Yet when one reads a book such as *The Changing World Order*, despite the critical acclaim, they may find research that lacks the breadth of interdisciplinary models and the depth of essential theoretical frameworks.

Of the many papers Wu wrote, favoured topics were: (1) The dynamics of international monetary systems and financial markets, and (2) The economics, history, and politics of oil exporting countries in Latin America.

In 1999, at age 17, Wu had made it a goal to understand the intersection between politics and global economics. In 2006, at age 23, Wu had achieved that goal. The next step was to research and explain it to others.

Wu knew that additional degrees were required to teach world economics as a professor. But Wu was told that option would require substantial debt. Wu's age, gender, and socioeconomics limited Wu against competition.

Teaching positions were highly sought after and candidates were competitive. Nepotism often obstructed Wu.

When Wu attended a college career fair, Wu encountered the same insurance company employers that Wu had already been contracting with for years. They would not benefit from knowledge of world economics.

Wu realised the need to move to a financial hub to find opportunities. So in 2007, Wu relocated from Davis to the unknown San Francisco Bay Area to utilise the degree in International Relations: World Economics.

Financial & Legal Services

Sole Proprietorship

From 2007-2014, Wu worked as a financial and legal services **independent consultant**. Wu performed tax and legal research, contracting primarily with law firms. Wu also prepared taxes for individuals and businesses.

Although Wu was based in the San Francisco Bay Area, Wu also spent months working in the DC Metro Area.

From 2009-2014, Wu conducted economics and taxation academic research and writing. During that time, Wu also travelled to Washington, DC and performed legislative advocacy and analysis for a group of organisations.

From the 1990s to 2006, Wu had been continuously insured through college health care plans. In 2007, Wu applied for an individual health insurance policy with several carriers. Wu was denied insurance coverage.

Wu had also been contributing pre-tax earnings to a health savings account (HSA), but needed £70,437 for surgeries. In 2007, the HSA individual annual contribution limit was only £2,256. In prior years it was less.

In 2005, UC Davis Medical Center geneticists had found Wu was born with a rare genetic mutation. In 2007, Wu needed to continue treatment, but risk averse medical insurance underwriters denied pre-existing conditions.

The health insurance industry had come under intense scrutiny by lawmakers. Data collected from four major carriers revealed that from 2007 to 2009, over 651,000 applications were rejected for pre-existing conditions.

More than 400 conditions, including heart disease, cancer, diabetes, and pregnancy were cited in denial letters.

Wu had been providing financial services for seven years simply to make a living. But knowledge of insurance underwriting gave Wu insight into the problems. Wu clearly understood what was happening in the industry.

As a researcher of tax law, Wu also understood how tax policies and global economics intersected.

Colleagues kept asking Wu's opinion. To thoroughly answer their questions, Wu allocated significant time to researching potential solutions. Wu was hardwired to value informed decisions based on research and analysis.

Wu's career goals did not include reforming insurance regulations and influencing tax policies. Wu did not want to enable government intervention. Wu worked hard to uphold Arizona values and abide by fiscal conservatism.

In the 1990s, young adults of Wu's cultural heritage in Arizona were taught to pull themselves up by their bootstraps. Charity was reserved for the chronically ill. Teens were primarily valued for their cheap labour.

As a professional, Wu rarely asked colleagues for help. In contrast, Wu frequently taught and supported others.

However, in 2008, Wu experienced the market conditions of the Great Recession. Wu clearly understood what was happening economically. But like a metro train Wu knew would derail, knowing did not stop the crash.

H. Wu, MTax, AFC®

Wu reasoned that if banks were required to have FDIC insurance, individuals should carry health insurance. Uncovered medical expenses negatively impacted consumer behaviour just as much as potential bank failure.

Wu had spent months of valuable time in negotiations with carriers. In March 2009, Wu finally reached out through a professional network. Wu teamed up with an advocacy group in Marin and lobbied in Sacramento.

Through the Marin group, Wu met labour union contacts. Then Wu noticed that the Marin group and Service Employees International Union (SEIU) had a common legislative agenda. SEIU also had a large voting bloc.

Wu partnered with SEIU reps in Sacramento, CA and Washington, DC for several months to build a coalition.

That summer, at an SEIU gathering in Sacramento, Wu met with the Lieutenant Governor of California. John Garamendi had served as Insurance Commissioner. That fall, Garamendi became a United States congressman.

During months spent in DC, Wu lived at Maitri House, an intentional community in Takoma Park, Maryland.

As a partner of SEIU, Wu was given office space at DNC headquarters on South Capitol St. in Washington, DC. Wu was working there on 19 August 2009 when President Obama held a press conference in the building.

Wu and colleagues summarised statistical data and testimonies collected through the nationwide Health Stories Project. Wu also attended rallies to network with lobbyists for other industries that had similar agendas.

In strategy meetings with SEIU representatives, Wu communicated commonalities between the agenda of SEIU and other interest groups. Wu collaborated with the leadership team and they developed talking points.

In neoclassical economics, game theory & rational choice theory are used to model decision-making behaviour.

Wu remembered that in game theory, interactions between rational decision makers resulted in a positive sum game when the overall gains of the parties involved outweighed the losses. In other words, a win-win situation.

With allies, Wu met with congressional staff in the Hart Senate and Rayburn House office buildings. Their approach was to facilitate cooperation, focusing on shared interests and solutions to insurance problems.

Wu explained the intersection between the politics of insurance regulation, tax policies, and economics. They also presented several insurance law and tax law plans, projecting and analysing varying economic outcomes.

On 23 March 2010, the bill H.R. 3590 was signed into law. At that time, Wu had returned to San Francisco and was active in tax planning and policy research. Wu lived in El Cerrito, riding the underground to the city centre.

To explain insurance and tax law changes to others, Wu joined the Oakland Chamber of Commerce and spoke publicly about health care tax planning. Wu also advised local business owners and prepared their income taxes.

From 2010-2014, in addition to providing financial services, Wu continued to conduct economics and taxation academic research and writing. While in DC, Wu had trained in public policy and made industry connections.

Epilogue: The below narrative is solely provided as a case study to illustrate the benefits of insurance planning.

Wu's time in DC reinforced the value of teamwork. However, it did not change Wu's Arizona values. Wu maintained a strong work ethic. In addition to financial and legal services work, Wu started a side business.

Since medical bills were no longer depleting savings, Wu was also able to grow brokerage account investments. Wu obtained a loan from Chase and made an offer on a multi-family property in Richmond Annex.

On 1 October 2013, the five-member board of Covered California launched the health insurance marketplace.

Although Kaiser Permanente insurance coverage was offered, Wu needed to keep the same doctors. So Wu bought an Anthem Blue Cross policy that took effect in January 2014. The pre-existing condition was covered.

Not only did Wu have relief from exorbitant medical bills, but also greater access to medical second opinions. The consensus from geneticists and physicians was to undergo a series of surgeries. The £70,430 was covered.

The projected time allocation was 24 months. Wu sold a Half Moon Bay, CA property to cover living expenses.

To build up immunity, Wu's doctors required a period of time off. Wu was told to engage in a relaxing activity. The only thing Wu enjoyed more than explaining world economics was interpreting the Internal Revenue Code.

Financial Services

Sole Proprietorship/LLC

Following an interest in tax law and policy research, from January 2015 to April 2016, Wu earned an M.S. in Taxation from Golden Gate University in San Francisco. Wu's instructors were attorneys who were also CPAs.

From 2009-2014, while providing tax services, Wu had also conducted economics and tax research and writing. Wu was motivated to write academic papers on tax policy insights. Wu enjoyed researching taxation economics.

After Wu was accepted into a PhD programme, Wu wrote a doctoral dissertation based on 2009-2014 research.

In 2010, Wu's research goal was to understand the intersection between international taxation and economic development. Wu studied base erosion and profit shifting corporate tax planning strategies and tax havens.

Based on guides for writing dissertations, Wu identified problem statements and formulated these questions:

- (1) How does the tax policy of one country affect economic activity in other countries?
- (2) Does the existing international tax system allow developing countries to levy a sustainable rate of taxes on the revenues of multinational corporations that have significant operations in their nations?
- (3) Do indigenous peoples benefit when their territory has been transformed into an offshore financial centre?

H. Wu, MTax, AFC®

Wu was able to answer the first two questions as standard research theses after compiling a literature review. To answer the third question, Wu conducted original research and analysis. Wu gathered data through field work.

Prior to collecting data, Wu researched economic development history and initiatives in tax-neutral nations. Wu focused on British Overseas Territories in the Western Caribbean Sea. That included the three Cayman Islands.

In addition to reading scholarly journals, Wu obtained qualitative and timely information. Wu made contacts with indigenous islanders who had knowledge of the regional history and economic development initiatives.

For one year, Wu conducted weekly phone interviews with a native resident of Cayman Brac in the real estate industry. The resident not only answered Wu's questions, but also collaborated on economic development goals.

Wu also prepared to build rapport with offshore financial centre subject matter experts living on Grand Cayman. In addition to academic research, Wu made plans to connect with business leaders by researching their hobbies.

Many well established Caymanian businesspeople enjoyed sailing and piloting aircraft. So in 2010, Wu trained in keelboat sailing. Wu joined the crew of a J/24, training at Olympic Circle Sailing Centre at Berkeley Marina.

Also, in 2012, Wu rented a Piper, opened a jet fuel account, and trained as a private pilot with Oakland Flyers. Wu received a steep discount on flying lessons by preparing the business income taxes of mechanics and pilots.

In 2013, Wu put business operations on hold for two quarters to conduct economic and taxation research in the Caymans. Wu obtained a six month research work permit, interviewed locals, and visited a potential eco park.

Wu paid for flights, business expenses, and housing in the Cayman Islands with funds from **self-employment**.

Wu was not on holiday. Wu's schedule was chockablock with meetings. To understand the business regulatory environment, Wu spoke with government officials, investment bankers, financial advisers, and solicitors.

Some experts were not able to meet in person, so Wu conducted phone interviews. Wu had purchased an iphone with a local number through service provider LIME. The mobile plan was flexible and Wu topped up as needed.

In 2014, the total population of the British Overseas Territory was 59,559. Historically, about 97% of residents lived on the 196 square km of Grand Cayman. Less than 200 locals lived on the 26 square km of Little Cayman.

The remainder of Caymanians resided on the 36 square km of Cayman Brac. At a distance of 157 km from Grand Cayman, Cayman Brac is a nature retreat destination with a tranquillity that rivals the Isles of Scilly.

The main island, Grand Cayman, had a robust tourism sector. As the capital, George Town was a bustling city of over 31,000 permanent year-round residents. The British Virgin Islands had that exact population in 2022.

Like much of the Caribbean, the peak time for tourism ran from December to April. Clear skies and balmy sea breezes attracted visitors from many nations, but a large percentage of tourists were from the UK and Europe.

For example, Wu was gobsmacked to learn that UK citizens classed as workers were granted 28 days of statutory annual leave entitlement. Europeans had four weeks of annual paid vacation plus service leave days.

H. Wu, MTax, AFC®

Of the 31,000 living in George Town, the majority were employed in the financial services industry. For instance, Wu noticed that Big Four accounting firm KPMG maintained offices on Grand Cayman island.

The islands are a legally separate jurisdiction from the United Kingdom. The Parliament, formerly called the Legislative Assembly, is made up of elected officials. But the Parliament works in tandem with the Governor.

Operating under the authority of Great Britain, the Governor has power to appoint the Premier and ministers.

According to the constitution, the Governor is appointed by Her Majesty and shall hold office during Her Majesty's pleasure. Likewise, the Executive authority of the Cayman Islands is vested in Her Majesty.

Grand Cayman has facilitated billions of pounds of investment and trade for the global economy. In 2014, GDP was over £3.61bn. However, as a tax-neutral territory, it has not levied taxes on stored or earned income.

While indigenous peoples had access to education and healthcare, not all Caymanians made a proper living. The islands are a British territory with a complex web of regulations. Those rules restricted Brac's tourism sector.

Some regulations were based on UK laws, not made by locals with eyes on the problems and straightforward solutions. For example, Cayman Brac needed newer ports to handle larger cruise ships and maritime traffic.

Even if fully funded, a port development initiative required years of surveys, many reports, and several permits. Bureaucratic review could potentially be slow and arduous. Projects may be halted at any step of that process.

Additionally, strict regulations on Cayman Brac's docking policies and slow recovery efforts after damage from hurricanes constricted the island's lifeblood of tourism. The island had been repeatedly cut off from income.

The inner workings of the UK Government impacted its faraway territories. But Caymanians were not in the thick of it. The UK provided invaluable guidance, but some islanders felt restricted. They called it a nanny state.

Small business owners had to navigate obstacles to obtain required permits from governing bodies. In certain sectors, entrepreneurs did not have easy access to startup capital. Some were apathetic, but others simply left.

Many islanders on the smaller Cayman Brac relied on the growing real estate sector and related construction industry. That sector was key to renewing development. But fiscal plans lacked sufficient marketing allocations.

In order to advertise the destination for foreign direct investment, a much larger marketing campaign was required. Evidence showed that Cayman Brac needed capital inflow to support real estate development projects.

Therefore, the status of the Cayman Islands as an offshore financial centre did not benefit indigenous on Brac.

Although Wu's stated objective was academic research, one stakeholder in the eco park endeavour threw a spanner in the works. They disrupted the project, attempting to wangle sources of capital from the consultants.

Wu was an academic and business owner, not a minted real estate developer. Wu had an adaptable horses for courses mentality, but the situation seemed a bit dodgy. Wu finished research and flew home on Boxing Day.

H. Wu, MTax, AFC®

Although Wu received offers of work visa sponsorship from employers in Grand Cayman, Wu chose to return to the US and complete additional tax research. Wu also had to resume treatment with US medical specialists.

Working with the Caymanian people was a second turning point in career and life. Brac business owners were warm and welcoming, treating Wu like family. The Century 21 Real Estate office provided invaluable guidance.

Through Century 21, Wu was introduced to a network of business owners and industry leaders in the Cayman Islands. Wu would not have been able to successfully conduct certain research interviews without that support.

Wu's research field work in the Cayman Islands was a positive and life-changing experience. The work went according to plan. Aside from dealing with the visiting stakeholder—not an island native—the stay was smooth.

Later on, Wu used the research as a resource for companies doing business in the Cayman Islands. Wu was also accepted into a PhD programme. As of 2024, the manuscript is being revised for dissertation examination.

Wu was last in the Cayman Islands on 21 March 2024. Wu had business in Camana Bay, but made time to speak with local business owners in the East End. Wu was mindful of 15:00 to 19:00 traffic on Esterly Tibbetts Hwy.

Flow internet was not too slow for crypto market updates. In the mornings, there was Invest Answers. In the evenings, Wu drew inspiration from the second iteration of a Real Vision campaign that bettered financial lives.

As the icing on that trip's cake, Wu delved into the layers of Lyn Alden's 2023 book *Broken Money*. Wu was enthralled with the seminal work. It was just as riveting as Jared Diamond's 1999 tome *Guns, Germs, and Steel*.

From 2014-2023, Wu also made connections with other island nations. Wu spent 10 to 14 days in each country. Wu travelled to the Bahamas, Barbados, Granada, Turks and Caicos, and the Dutch Caribbean island Curaçao.

After Wu completed the Cayman economic research, Wu returned to the SF Bay Area to conduct tax research. Wu also resumed operations as a financial services provider and continued a side business in another industry.

Wu's goals were to conduct further academic tax research and to better serve the complex needs of tax planning clients. So in fall of 2014, Wu enrolled in a full-time, in-person, masters in tax programme in San Francisco.

It was the first time Wu was a full-time student without also working full-time, so it only took Wu a year to earn the tax master's degree. Wu completed extra courses in International Taxation. Wu's cumulative GPA was 3.67.

During that time, Wu was also accepted into the M.S. in Accounting programme. Taking courses in accounting met the 150 credit hours of CPA education required for California CPA candidates prior to obtaining a licence.

The M.S. in Taxation degree included a practicum course, so Wu participated in public accounting firm KPMG's Alternative Investments Practice. They specialised in **hedge fund tax consulting** financial services.

Having been **self-employed** for 20 years, Wu courteously declined offers of entry-level positions in public accounting. Wu's goal was to expand services as a **financial consultant**. An MTax credential achieved that.

H. Wu, MTax, AFC®

Although Wu chose not to be an accountant, collaborating with team members at KPMG was a third turning point in career and life. Wu observed best practices in accounting and made invaluable lasting connections.

Under the agile and decisive leadership of skilful KPMG Partner Edward Schulte, many young professionals flourished. Wu also achieved lasting success after Schulte taught Wu, “I turn my weakness into my strength.”

Through KPMG, Wu met several dedicated, driven, and ethical individuals. They continue to inspire Wu’s path.

From 2016-2020, Wu continued working in financial services. During that time, Wu also created a tax planning and financial counselling services business, rebranding it **TheMoneySpot™** with domain TheMoneySpot.com.

As a **tax consultant** with a degree in world economics, Wu provided weekly tax analysis and geopolitical research to the late hedge fund manager Xia Dai for three years. Wu also performed buy-side equity research.

Wu’s initial goal was to expand investment management skills beyond what Wu had learned from reading portfolio management and investment planning textbooks and speaking to investment consulting professionals.

After further research, Wu obtained and read through Certified Financial Analyst (CFA) Level I coursework.

Wu needed to know how to apply the CFA material and integrate it in an evidence-based investment philosophy. So in June of 2016, Wu reached out through a professional network. Wu called Xia Dai, a hedge fund manager.

In 2014, fund manager and former semiconductor chip engineer Xia Dai had founded a firm named Madrone Hill Capital, LLC. It was a registered investment adviser firm at Madrone Hill Road in Saratoga, California.

Dai was highly respected for research and analysis of tech sector equities. Dai also had a tireless drive to continuously read and analyse economic data, inspiring colleagues to be lifelong learners.

Through Dai’s registered investment adviser firm, Dai and associates managed a successful hedge fund.

Dai not only answered Wu’s questions about financial analysis, but also became a mentor. Dai even sponsored Wu to complete a Certificate in Investment Management through Yale School of Management.

Not-For-Profit Public Benefit Corporation

After Wu completed the Yale Investment Management programme, Wu founded the 501(c)(3) not-for-profit organisation **MyMoneyPlan™** to encourage young adults to learn about financial planning and help their peers.

During Wu’s time as Executive Director of MyMoneyPlan™, Wu developed outreach programmes, wrote 196 pgs of resources, read books on not-for-profit management, and constructed a website: www.mymoneyplan.org.

Wu also created the organisation’s financial plan and met fundraising compliance requirements. Additionally, the not-for-profit was approved by CFP Board of Standards to sponsor and teach CFP® continuing education.

Wu is currently active on the board of directors. Wu has also been asked to sit on other not-for-profit boards.

Financial & Legal Services

Limited Liability Company

While building the not-for-profit, Wu also expanded services as a **financial consultant**. As an accomplished consultant with over 25 years of professional experience, Wu had built a strong network of trusted advisers.

Thanks to the ongoing encouragement of colleagues in the Financial Planning Association®, Your Partner in Planning™, Wu established **Madrone Hill Capital, LLC** as a financial consulting firm in San Francisco, CA.

The Financial Planning Association provided invaluable practice support, learning, advocacy, and networking.

The esteemed industry trade group was born out of the graduating class of college-educated financial planners in the 1970s. It has since grown into a distinguished US organisation which boasts over 22,000 members.

The Financial Planning Association firmly upholds a core policy: The CERTIFIED FINANCIAL PLANNER™ certification and the standards it represents constitute the foundation of the financial planning profession.

Wu has been in full agreement with that axiom. As Managing Director, Wu's role is to lead growth initiatives and strategic operations. Wu also conducts academic research, writing, and analysis in economics and taxation.

Although Wu had 23 years of experience working in financial services, under CFP Board guidelines, Wu's recent client-facing experience within the areas of financial planning amounted to six years of full-time work.

Six years was plenty of experience to meet the 4,000 apprenticeship or 6,000 standard hours required for CFP® certification. However, Wu found it counterproductive to take the CFP®, CPA, CIMA®, or CFA Level I exams.

Doing so was in contrast to Wu's policy of deploying capital and allocating human resources where they are optimally efficient. Over the years, mentors noted Wu's skills in leadership, research, writing, and analysis.

Wu honoured that policy by choosing to serve as facilitator of advisory teams that include CFP® professionals. However, Wu completed the requirements of a similar planning credential. Wu also pledged a code of ethics.

Therefore, Madrone Hill Capital remains committed to following the core policy of the Financial Planning Association. The advisory has ensured that CFP® professionals are charged with financial planning duties.

Madrone Hill Capital, LLC is a fee-only registered investment adviser firm. US headquarters are located in the Financial District of San Francisco, CA. To ensure the firm is a good fit, it only accepts clients by referral.

The advisory provides financial services to owners of lower middle market companies who reside outside their country of citizenship. Firm clients are expatriates who live in California. They aim to expand their businesses.

H. Wu, MTax, AFC®

Services include business planning, succession planning, cross-border planning, and integrated legal services. The firm is a member of a collaborative financial planning and legal practice group established in the 1990s.

The advisory facilitates high quality service through a holistic and comprehensive approach. Advising teams include a Certified Public Accountant, CERTIFIED FINANCIAL PLANNER™, executive coach, and attorney.

The firm's mission is to educate and prepare clients for lifelong financial success. The advisory also facilitates legal compliance. Advising team members work to identify and support client business goals and values.

Madrone Hill Capital advising teams bring extensive experience and authenticity to every financial and legal engagement. They have spent years researching and working within the areas of financial planning.

The firm also provides geopolitical investment research and analysis. Wu earned a degree in the field of international political economy (IPE). Wu also has prior experience in geopolitical research and analysis.

Political risk analysts and economists are typically assigned to a particular geographic region that they cover.

The advisory firm sources timely information through established relationships with global consulting firms that specialise in geopolitical risk assessment. However, this research and analysis is for educational purposes only.¹

Next, the firm performs a quality review, screening material by evaluating: accuracy, logical reasoning, author intentions, information biases, breadth and depth of knowledge, and argumentative strengths and weaknesses.

During the quality review process, Madrone Hill Capital may collaborate with subject matter experts.

The advisory also checks the authority of sources that have been cited. However, the firm respects and complies with source confidentiality regulations. For client convenience, audio recordings are transcribed into English.

Additionally, the advisory firm has been expanding its economic and tax policy research and analysis services. The advisory established contacts within the administrations of universities in London, UK and Virginia, US.

In academic partnerships, the firm will take steps to address the complex policy needs of institutional clients. They are government institutions, private entities, non-governmental organisations, and not-for-profit groups.

In addition to partnering with academia to work towards providing economic and tax policy guidance, Madrone Hill Capital has also been laying plans to expand its alternative investments research and analysis services.

Since 2007, Wu has had an interest in alternative investments. Alternative assets, in the form of collateralised debt obligation US mortgage derivatives, played a large role in the 2007-2008 Great Financial Crisis.

¹ Disclaimer: Firm advisers will neither make nor implement financial planning and/or investment recommendations based on geopolitical research and analysis. Madrone Hill Capital and its advisers act in good faith. However, they are not responsible for your personal, business, legal, investment, or other decisions that are based on and/or related to geopolitical research and analysis. This research and analysis is intended solely for education.

That event prompted worldwide cooperation, including increased collaboration with US regulators.

US subprime loan obligations had been securitised and sold to institutional investors. Based on loan default risk, those derivatives should have received credit ratings similar to junior tranche debt. Yet they did not.

In the aftermath, the special resolution regime empowered the Bank of England to make bail-ins. The resolution authority also instituted ring-fencing. Likewise, the US government passed Dodd-Frank and raised FDIC limits.

However, high street banks had already suffered. Under Darling and Brown, Northern Rock was nationalised. Virgin Group was rejected. Taxpayers spent £1.4bn. Four years on, the Rock was gone. Sold at a paltry £747mn.

Instead of proactively breaking up oversized financial institutions, US banking industry regulators pushed forward policies such as too-big-to-fail. That led to the privatisation of profits and the socialisation of losses.

In Q1 2024, a review of BoE remit letters indicated steadfast measures. At 4%, inflation was double the 2% target. MPC was unwinding QE. The Solvency II Directive continued to reinforce capital requirement models.

As usual, BoE field agents kept communication lines open between businesses, communities, and policymakers.

On the topic of cooperation, our UK Financial Conduct Authority and US Securities and Exchange Commission have signed Memoranda of Understanding to share certain information, but they do not coordinate all policies.

For example, the “Supervision and Oversight of Certain Cross-Border Over-the-Counter Derivatives Entities” MOU concerns SEC covered security-based swap dealers which conduct activities in both our UK and the US.

Likewise, neither the FCA nor the European Union may compel the SEC to follow prudent European Market Infrastructure Regulation (EMIR) guidelines. The SEC forms its own requirements for US financial institutions.

Technically, the US is a member of the Basel Committee, having agreed to the September 2013 framework. Although it applies to the banking sector, bank owned securities entities are covered under consolidation rules.

Under Basel III, the Bank for International Settlements has facilitated stability in the international financial system. It promotes sound countercyclical measures as well as minimum capital and liquidity requirements.

US banks are regulated by the Federal Reserve Board, Board of Governors, FDIC, and others. However, the SEC has rule-making power over consolidated entity financial institutions covered under the Basel Accord.

The SEC is also tasked with making complex rules for US institutions on capital, margin, and segregation requirements. It has dutifully protected US investors for 90 years, providing both oversight and enforcement.

Commissioner Hester Peirce provides clarity and consistency. As a dedicated SEC leader, Peirce advocates a regulative approach that not only protects investors, but also recognizes the potential of innovative businesses.

Despite the most well thought out rules and regulations, individual financial decision makers have caused trouble. This is due, in part, to lack of education in financial instruments and the dynamics of financial markets.

As evidenced by the 2007-2008 financial crisis, decision makers at some financial institutions which held loan portfolios had been unaware of option price sensitivity. They had kept insufficient capital reserves for liabilities.

H. Wu, MTax, AFC®

An understanding of both the intrinsic risks, and potential rewards, of derivatives may have mitigated damages. However, such problems have not been entirely solved by regulations. Lack of education persists.

At this critical time while our UK seeks its new footing in the global economy, all variables must be considered.

In Q3 2022, pension funds fell victim to an unpleasant run dynamic spiral that was self-reinforcing. In other words, pension funds in need of liquidity unloaded heaps of gilt. That decreased prices, perpetuating the cycle.

In September, market sentiment, influenced by the mini-budget, impacted asset prices. The tempest of GBP depreciation, a rise in swap rates, and an upsurge in sovereign yields struck highly leveraged pension funds.

With liability-driven investment strategies, pension schemes utilised derivatives to build up underfunded plans comprised of gilt securities. Volatility increased at the same time as much higher yields, leading to margin calls.

Moreover, in Q1 2024, Cambridge Econometrics studied our economic impact from leaving the Customs Union and Single Market, revealing “negative impacts” on employment and the gross value of several sectors.

Lawmakers and regulators have provided a safety net. They must also address the second problem. Financial decision makers have been weighed on the scales of financial economics and have been found wanting.

Education in complex financial instruments, such as derivatives and cryptocurrencies, is just as important as BoE and FCA policies. Knowledge of alternative investments buttresses resilience in our financial sector.

To better understand the topic of alternative investments, in 2021, Wu purchased and read Chartered Alternative Investment Analyst (CAIA) Level I coursework. Also, in 2023, the advisory firm bought CAIA Level II books.

Similarly, the firm partnered with the US Private Equity Council to become proficient in US organised private and venture investing. Wu was approved to participate in the Chartered Private Equity Professional programme.

After putting the firm’s research department on solid footing, Wu addressed staffing. Through meetings with a human resources specialist, the firm devised a hiring plan and put long-term growth initiatives into motion.

The advisory firm’s legal counsel advised Wu that the details of operations strategies are privileged information. As an advocate of financial adviser transparency, Wu thought that opinion was rubbish. But Wu acquiesced.

Finally, after working out the firm’s long-term growth strategy, Wu assessed the firm’s tech stack. As usual, Wu located answers on Kitces.com. Next, Wu sampled several software suites on short-term trial-based timelines.

Wu found that eMoney was the most comprehensive cash flow-based financial planning solution for Madrone Hill Capital’s complex needs. Wu was told that over 5.8 million households throughout the US rely on eMoney.

Wu learned that more than 106,000 financial professionals across firms of all sizes use the eMoney platform. Also, Wu realised that eMoney provides an interactive experience, promoting collaboration and transparency.

By choosing eMoney, Wu gave the firm’s advisers and clients access to institutional quality financial planning software. Using the robust eMoney platform and its integrations, advisers organise and track complex finances.

Medical Industry

Sole Proprietorship

In addition to full-time **self-employment** in financial and legal services, Wu operated side businesses on the evenings and weekends. Wu had experienced the negative financial market conditions of the 2008 recession.

Wu had decided that it was prudent to have two sources of earnings in addition to brokerage dividend income.

So from 2007-2014, Wu was **self-employed** full-time as a financial and legal **independent consultant**. Wu did tax and legal research on a contract basis. However, Wu also earned income by applying Wu's medical training.

Back in the 1990s, Wu had to attend nursing classes at Mesa Community College. Wu's chosen course of studies was world economics, but concurrent enrollment students of Wu's gender were first placed into nursing.

Wu had no reason to obtain an LVN licence, but kept up the medical skills with American Red Cross training.

So from 2009-2014, as a side business on evenings and weekends, Wu was an **independent contractor** in the medical industry. Wu supported RNs and mobile nursing teams, including charting and case management.

Also, from 2016-2020, Wu was **self-employed** full-time in **tax consulting** and financial services research. However, Wu continued side work in the medical industry. Wu also obtained a pharmaceutical industry licence.

From 2017-2019, Wu spent over 1,280 hours taking X-rays and assisting in medical procedures, obtaining a second licence. Wu also provided tax advice. Wu experienced firsthand the financial planning needs of doctors.

Although Wu was familiar with the medical industry as a side business, Wu had needed more flexibility. Wu had already been working full-time as a **tax consultant** and expanding the services of **TheMoneySpot™**.

Wu enjoyed explaining the tax code, but was more productive with a side business in a different industry. After research, Wu bought an **import/export e-commerce business** with Amazon storefronts in several countries.

Wu purchased the international sector import/export e-commerce business with funds from **self-employment**.

International Sector

Sole Proprietorship/LLC

Wu is familiar with international sector financial planning, including Amazon Seller Central. Wu holds full ownership of an **import/export e-commerce business** with Amazon storefronts that generate revenue streams.

The Amazon US store has five stars out of 237 ratings. The business has been in operation for over 16 years.

To learn how to value businesses, Wu completed a live course of NACVA Certified Valuation Analyst® training. Then Wu conducted market research on e-commerce businesses in several industries and locations.

Wu found an e-commerce business in Ontario, Canada that matched chosen criteria. Wu requested and obtained accounting records, financial statements, tax returns, and sales receipts. Wu also performed legal due diligence.

To establish the value of the company, Wu used a multiple of earnings. In addition to applying that metric, Wu used the discounted cash flow method to project future cash flows and adjust them. That accounted for inflation.

After Wu valued the business, Wu negotiated with the company's business broker in Vancouver, BC. The terms of the purchase agreement included several months of operations management training with the previous owner.

Gemstones are imported to the US from Jaipur, India. They are set in gold and exported to Canada, the UK, and across the US. Wu had been trained in gemology by Navajo jewellers who settled in Apache Junction, Arizona.

Wu created synergy and maximised efficiency, so the business requires minimal attention to produce income.

EXPLAINER

sample opinion article

What do you think about cryptocurrency such as Bitcoin?

Note: This answer was written in simple language, but it is based on the author's academic research with citations. It was written in November 2023 and has not been updated to reflect crypto market, regulatory, or tax law changes. Refer to our website disclosures. To learn more, book your free 30 minutes.

Unlike cash deposits into regulated banks, crypto assets held on exchanges, including earn programmes, are not protected by any amount of Federal Deposit Insurance Corporation (FDIC) insurance against loss if the exchange goes bankrupt.

Likewise, those deposits are not protected by the Securities Investor Protection Corporation (SIPC), which plays a similar role for accounts with cash and securities at brokerages that are in financial trouble.

In contrast, the terms and conditions of some exchanges actually state that the assets belong to them, not you, in the case the exchange fails.

To learn more about your lack of recourse if and when an exchange fails, just read the pleadings and motions from Celsius Network LLC, et. al. Stretto Class Action Case 22-10964.

Celsius was a prominent exchange that became bankrupt. The exchange agreed to pay back its retail investors only a portion of their coins. Some investors used those coins as collateral for loans.

Even though the exchange is paying an impaired valuation of the collateral back, it is demanding full repayment on consumer's loans—loans that were backed by that same collateral!

That defies both logic and the precedent of years of bankruptcy law.

That is also in contradiction to the language of the loan agreements themselves. But exchanges are unregulated, so this is what is happening. It's hard to see people I care about lose their investments. That's why I've done so much research, but aside from holding some Bitcoin, I've chosen to remain a crypto observer.

So the Securities and Exchange Commission (SEC) regulates securities and the Commodity Futures Trading Commission (CFTC) regulates commodities. But which cryptos are securities and which are commodities? Currently, both the SEC and CFTC agree that Bitcoin is a commodity.

Regarding Ether, on the Ethereum network, there has been much debate between the US Congress and SEC Chair Gary Gensler on this topic. On 27 September 2023, I listened to a highly entertaining US House Financial Services Committee hearing called "Oversight of the Securities and Exchange Commission."

I learned that SEC Chair Gensler refused to determine whether Ether is a commodity or a security.

Yet Chair Gensler has been adamant that crypto platforms are securities exchanges, which puts them under SEC regulation. Why does this matter? He has been suing some crypto exchanges and has refrained from approving certain crypto ETFs.

So while crypto enthusiasts strive for freedom from banks, the SEC is fighting the exchanges for regulation.

On the bright side, the upcoming Bitcoin ETF, which is currently under approval by the SEC, may solve Bitcoin's problems of custody and cold storage. Also, the ETF converts the commodity of Bitcoin into a security. That makes it eligible to be in the portfolios of many charitable foundations and funds.

There is also the potential that loans and other infrastructure will be based on Bitcoin. That is because certain very large institutions, including BlackRock, BNY Mellon, Fidelity, Goldman Sachs, and JP Morgan Chase are now encouraging certain investors to allocate a small percentage of their net holdings into Bitcoin.

To be clear, I'm not endorsing Bitcoin or any other cryptocurrency. I'm recognising the significance of including Bitcoin into the asset class of alternative investments.

Regarding custody, let's say you don't deal with exchanges. Instead, you buy a hardware wallet or cold wallet like Ledger to hold your own crypto. In that case, there's still some issues. For example, you have to make sure that you don't lose your password and keys/list of phrases.

Also, you want to make sure that your next of kin has your password and phrases. However, you want to make sure you trust them enough to believe they won't access your wallet without your permission. There are other potential problems with cold storage and self custody, but you get the point.

Okay, so you've got your cold storage going. Then what? There's Bitcoin, Ether, Solana...and a seemingly endless amount of coins and tokens. For the sake of brevity, let's stick to Bitcoin. Fans of Bitcoin say its volatility is a feature, not a problem, because when it goes down, you have the opportunity to buy more of it.

The reasoning is that if you hold Bitcoin long enough, it will reach yet another all time high, eventually going "to the moon". Some also advocate Bitcoin dollar cost averaging by buying a set amount on a regular basis.

Regarding its status as a currency, Americans tend to consider and use Bitcoin more as a store of value.

However, some countries, such as El Salvador, have made it a legal tender. Overall, with its agreed upon status with US market regulators and an ETF pending approval, Bitcoin is starting to capture the attention of institutional investors.

What about taxation, though? Since the US Internal Revenue System (IRS) classifies digital assets as property, those transactions are taxable.

The IRS can track cryptocurrency transactions through self-reporting on tax forms, know your customer (KYC) data, and some tools of blockchain analysis. Fortunately, gains from sales of cryptocurrency are taxed at long-term capital gains rates if held for more than one year.

Better yet, because the IRS considers Bitcoin property and not a security, wash sale rules don't apply to crypto transactions. However, like all tax laws, crypto taxation has been evolving since the inception of Bitcoin and exchanges. So tax rules may change as the asset gains wider acceptance.

Technically I'm supposed to tell you that crypto is a speculative asset, meaning it's so risky that you could lose it all.

As an aside for my colleagues who practise law, this term has no relation to legal speculation. As you know, that phrase refers to postulating on a sequence of events without sufficient evidence to back them up. In other words, guessing about what may have occurred without having any proof.

Typically, speculative investments are for "sophisticated investors," such as accredited investors, who already have substantial other assets and highly diversified portfolios.

An accredited investor is permitted to trade securities that are not registered with financial authorities.

The SEC allows that individual, who has met certain qualifications, to invest in complex securities. For example, I am an accredited investor based on the amount of my average yearly income.

Since I met the suitability requirements, and losing that capital was inconsequential to the total assets in my diversified portfolio, I allocated a portion of my holdings into Bitcoin.

Although speculative investments are intended for accredited investors, as we have seen, buying crypto has become mainstream. However, that does not negate the implicit risks of investing in a speculative, loosely regulated asset.

I'm sure you already know about hacking, but that's not what I'm talking about. It's the uncertainty that comes with the asset class itself.

If you look at a chart of historic data on any given cryptocurrency, it doesn't go back too far. Prior performance is not an indicator of future returns, but it can help to study prior market cycles. Speaking of cycles, Bitcoin seems to have its own patterns, especially with a halving every four years.

The point is that digital assets and currencies represent a very young asset class. While advocates see the potential for growth, those who are opposed to cryptocurrency cite the high risks of loss of capital, potential for fraud, and uncertainty regarding government regulation.

However, some argue that at the present time, a certain level of speculation may be required to get ahead. For example, certain tech stocks and cryptocurrencies have generated high returns.

Cryptocurrency speculation, through long-term buy and hold strategies, is not only a hedge against inflation. It is also a way to build up that nest egg for a real estate down payment. Crypto may help you to reach the first rung of the property ladder.

While crypto maxis advocate holding significant allocations, like any investment, the type and amount you choose must align with the time horizon of your investment goals, your personal risk tolerance, and the rate of return required to build up a lump sum for your down payment or future retirement.

Whether or not you choose to invest in cryptocurrency, you must ask yourself this question: Is it riskier to continue making the same choices—which result in familiar consequences—or to experiment with other methods?

Here's an analogy: Daily tube riders have limited time and money to spend on commuting. They choose the Bakerloo Line because it gets them from point A to point B. They know it's second-rate transportation, but there doesn't seem to be other viable options.

As days go by, it becomes clear that major upgrades are required. But the maintenance department has limited tools to keep the line running, let alone perform a major system overhaul.

In the meantime, riders must carry on. They tell themselves it can't be that bad because many others are still on board. If it was a safety issue, the line would be shut down for repairs. Most of all, they keep riding because they are used to it. They've been doing it for years and they know what to expect.

I should not have to remind you that the definition of insanity is doing the same thing over and over again and expecting different results. But you must remember that failing to take action is also a choice.

For example, In 1999, my pal Jeff and I gathered the most local donations for a charity called Toys for Tots. To thank us, they gave us backstage passes to a local rock concert.

However, I was a nerd. The concert interfered with my self-imposed nightly reading schedule of *World Economy: A Textbook in International Economics*.

To support myself, I was working the equivalent of two full-time jobs. I was also taking a full load of college night courses. So I had a very limited time allocation for my hobby of economics leisure reading.

Meeting an American band and hearing them sing did not seem like a proper use of my time. But Jeff urged me to come along and have a listen. Backstage, I met a guitarist named Tom Morello.

Tom had a Bachelor of Arts in Political Science from Harvard University in Cambridge, Massachusetts.

That night, Tom and a bandmate named Zack taught me critical thinking skills. I learned to look beyond the surface and delve into the evidence. I was told to do a deep dive, comparing and contrasting differing viewpoints. It was essential to screen material for logic and bias.

Tom explained that I must not be complacent. I should re-examine the economic system that I took for granted. Zack said, “If we don’t take action now, we settle for nothing later.”

Listen, if you do choose to go down the crypto rabbit hole, I’m not advocating that you experiment with gateway-to-crypto meme coins. You have not been properly orange-pilled if your conclusion is to fill up your entire investment bag with dogwifhat.

If you can spare it, throw a little degen play money at something like that. But that’s not representative of the value proposition of cryptocurrency. It’s a monetary system that’s built on cutting-edge tech.

As an investor, think in terms of the larger macroeconomic environment. If you are going to get ahead of inflation and fiat currency debasement, you will need faster transportation on your financial journey. Long-term buy and hold crypto investing is a bullet train. It runs on the rails of blockchain.

Even if you are not ready to participate in what some economic historians consider a healthy level of speculation in the context of a long-term secular market trend, you can still be an educated observer.

I’ve learned the most by delving into the layers of Lyn Alden’s 2023 book *Broken Money: Why Our Financial System is Failing US and How We Can Make it Better*. It was just as riveting as Jared Diamond’s 1999 tome *Guns, Germs, and Steel*. Alden is very articulate, utilising technology as the book’s theoretical framework.

Elon Musk once said, “If you’re trying to create a company, it’s like baking a cake. You have to have all the ingredients in the right proportion.” Alden’s work was just that.

It was the winning combination of carefully balanced flavours. If Alden’s work were a cake, Prue Leith, a host of *The Great British Baking Show*, would have named Alden as “Star Baker.”

Alden’s background is a unique combination of investment analysis, financial modelling, and engineering economics. Having read many of Alden’s articles, it was no surprise that the book was equally balanced, eloquent, and fascinating.

When Alden is not penning a treatise on the history of monetary policy and the implication of digital currencies, Alden finds time to supply research to over 100,000 investors per month. Alden also maintains a website that provides tools and information that help both experienced and novice investors.

Moreover, Alden recently started a premium service to better serve the complex investment research needs of an ever-growing subscriber base.

After you read Alden’s work, you may also choose to peruse *The Bitcoin Standard: The Decentralized Alternative to Central Banking*. The 2018 reference book by Saifedean Ammous is considered by many to be a starting point for learning about the world of blockchain technology. A primer on Bitcoin.

For the last three years, I have also learned a great deal from watching daily videos from Invest Answers, Raoul Pal's Real Vision, Coin Bureau, Altcoin Daily, and Macro Monday episodes from The Wolf of All Streets.

I've watched many others who add value. However, these are my daily channels. Of course, I've spent my fair share of time on TradFi market updates. Ten years of Melissa Lee and Karen Finerman on CNBC Fast Money.

Most significantly, I have understood the transformative nature of Bitcoin from MicroStrategy founder Michael Saylor. Unlike TradFi analysts, Saylor is steeped in such technological metamorphoses as the mobile wave.

These so-called YouTube "influencers" may not have PhDs in financial planning or economics, but they include world-renowned, highly respected business people who have made fortunes over the years through investing.

They are not wealth managers. They are distinguished thought leaders.

I have personally enjoyed participating in both the InvestAnswers and RealVision online communities. It can be beneficial to have live Q&A sessions with financial gurus, real-time dialogues, and daily camaraderie.

Even if you're an OG, you might be surprised by how much you learn from giving your pro tips to others.

However, some are seasoned experts. Their time is very valuable. So first try to do a little research on your own to learn the basics. They are not stock monkeys plunking away at keyboards. This group includes people who have been doing high level research longer than my average reader's life span.

To clarify, I'm not asserting that these individuals would be suitable to manage your money or portfolio of investments—it is imperative that your adviser's investment philosophy is evidenced-based and grounded in modern portfolio theory.

For example, you clearly benefit from working with a financial planner who also offers investment management services when that fiduciary adviser is informed by an investment philosophy and process backed by Nobel laureates in economics.

However, your financial adviser may be behind the curve.

Being a registered investment adviser (RIA) firm with a certain level of AUM is certainly an admirable accomplishment. However, it does not necessarily mean that your financial adviser is interested in or knowledgeable about cryptocurrency.

It's great they've tried to learn by taking a class or obtaining a credential. But they likely don't follow daily crypto markets. In fact, they were probably the very people who cautioned you against it a few years back.

However, be wary of the intentions of any writer, YouTuber, and even credentialed "expert." Use your critical thinking skills to ask why a person has written an article or created content.

Are they trying to sell you something? Are they sponsored by a company? Are they paid based on commissions?

For example, my intention is to educate and prepare you for long-term financial success. I've put effort into understanding cryptocurrency because the concept itself intrigues me.

I'm not your typical crypto-curious Gen Z or Millennial. I started college in the 1990s. To find answers to these types of questions, I've been researching global economics history and trends since 1995.

Over the years, I've read about beneficial transformations and fraudulent schemes. In case you haven't noticed, like many observable events on historical timelines, the emergence of both positive innovations and harmful scams are repeated in specific patterns.

To put it simply, these occurrences are largely based on the convergence of certain economic and sociological factors.

However, I know you're savvy and well read. You've done your own research and you don't jump into things. But I also know you have to sift through a ton of complex and often contradictory information.

I just want you to avoid the common pitfalls of investing. For example, whether you are researching a stock or a cryptocurrency, be aware of the age old practice of pump and dump.

That happens when someone makes positive statements in the media about a stock or cryptocurrency that are actually false or misleading. Their bullish opinion inflates the price of a stock or cryptocurrency artificially.

They want you to buy more, but they are actually selling. They sell the shares they purchased at a discount earlier for a new higher price, making a tidy profit at your expense.

Elon Musk has also noted, "Just think of money as a database for resource allocation across time and space." Using that framework, we can distinguish fiat money from digital currencies. Fiat money refers to any government-issued currency that's not backed by gold or some other commodity.

Fiat currencies are legal tender. They are controlled by governments. In contrast, cryptocurrencies are digital assets. They are decentralised by design.

For example, Bitcoin is a digital asset that uses blockchain technology. A blockchain is a distributed and public digital ledger. It is a spread out system, operating through many computers. That blockchain ledger records transactions.

Unlike DNA, these blocks cannot easily be altered. Eventually, quantum computing may someday change that.

In our lifetimes, scientists have learned how to modify DNA sequences through CRISPR. Is blockchain more complex than DNA?

Scientists at the University of Sussex posit, "A quantum computer with 13 million physical qubits could break Bitcoin encryption within a day; and it would take a 300 million qubit computer to break it within an hour."

Hopefully, as they noted, quantum computing will solve greater problems such as world hunger.

Be mindful of such conjecture. Do not put undo weight on such unknown future events and chance occurrences. We should not stumble blindly. But guesswork is equally detrimental. So are fear and doubt.

As you research stocks, crypto, and the limits of artificial intelligence, you will continually be learning. You will challenge the bounds of your own reality.

As we forge our way ahead, into the possible risks and potential rewards, we must continue to make informed decisions based on research and analysis. For example, when buying crypto, like any investment, we must make proper allocations.

We must also understand the metrics required to track and measure our progress. There are so many other things to know. But I have done my best to at least point you in the right direction.

On the cautionary side, I will leave you with this reminder: It's fun to watch, read, and learn about cryptocurrencies. But please don't get sucked in by the hype. Sure, it's exciting to think about the potential for growth in Bitcoin.

Blockchain as a technology has many applications. For example, the blockchain is a place to store transaction protocols called smart contracts. Those digital agreements are also the building blocks of Ethereum's application layer.

It's hard not to like the idea of earn programmes. Staking one currency and being paid interest in another is a pretty creative idea. Sometimes it feels like gaming. Just remember it's not a game. The losses are real.

It may be digital currency, but it took real blood, sweat, and tears as a wage slave to earn that paycheck you are about to trade for it.

HOBBIES

Academic

- Understanding and promoting the integrity, resilience, and stability of our UK and US financial markets.
 - Reading proposed rules of the FCA, BoE, SEC and Federal Reserve.
 - Comprehending robust checks and balances such as internal controls.
 - Reviewing white papers on maintaining the OCC loss allocation waterfall.
 - Reading case studies and examining data of prior stressed market episodes.
 - Gaining proficiency in trading, investment analysis, and financial planning.
 - Staying up to date with Global Association of Central Counterparties reports.
 - Discerning the procyclical impacts of margin requirements as market stressors.
 - Studying how enterprises obtain and manage credit, debt, and equity financing.
 - Advocating education to maintain a fair playing field for all market participants.
 - Increasing competence in financial economics, derivatives, and cryptocurrencies.
 - Balancing the interests of the Options Clearing Corporation and clearing members.
 - Obtaining timely updates from the ESMA and BIS, CFR, and CGFS member organisations.

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