AMA Session #4 with @blip23

Q:

Who can I send questions to for the next AMA?
Or if someone could answer them now so I can gain more clarity before investing

A:

Hi you may ask the questions here.

Q:

Okay, thank you

A:

Go for it buddy

Q:

My first question has to do with the apparent initial valuation of TBB at about 3.8 million. Where did this number come from? Other than speculation on the worth of the technology you bring to the finance world, what can back this valuation up? I understand the formula in terms of the pre-ICO token sale; my question is more about why you chose a valuation of 3.8million or how you came to that valuation?

A:

If you are after earning projections and how we have come out to that figure, we are happy to share that with potential investors.

Q:

Yes that's what I'm after, how you've come to that figure

A:

We have taken the median of the earning potential of a small and medium brokerage business and extrapolated that with the revenue of a Crypto exchange that enables UIA.

The projection was made on a 3 year basis that gave us an immediate pre-money valuation of $3.8 M.

Q:

I see. Thank you, just what I was looking.
My next question is more technical and focuses on the interface between the TBB blockchain and the exchanges users will buy assets and stocks on.

A:

Cool go for it.

Q:

Stock exchanges work in high volume in the microseconds while a blockchain-based solution has proved to be much slower. In the video AMA, you talked about how shares of Apple could be traded on the platform, but in order to interface between multiple stock exchanges that take the plunge into your decentralized system, there will be an over flux of transactions and requests to the TBB blockchain interface. How will this be handled? Will there be a queue built up on centralized servers before moving

into the TBB blockchain? Will transactions be consolidated from the centralized exchanges to the TBB blockchain at certain points in the day rather than in real-time?

A:

So this is a great question
There will be no queues … imagine our platform has two sections…
One which supports the on chain transactions such as dEx trades with Cryptos, User Issued Assets …
It is extended to include an ability to pass messages to our prime broker using FIX 4.4 protocol
This happens off chain
So that the transaction can go through in milliseconds... Note we are not dealing desk. It is straight through processing.
So it happens off the chain and once the transaction is completed, a record is saved on the blockchain to confirm the completion of the transaction and fulfillment.
It is a bit like how lightning network is designed for Bitcoin transactions
Let me share an illustration

Q:

So the blockchain is being used as a database of transactions for the brokerage rather than the tokens being the shares themselves. When the stock exchange transactions come into the TBB platform, they get sent through FIX4.4 and finalized, and then the "receipt" of this transaction is stored on the TBB blockchain.

A:

This is where the D-POS part comes into play.
And Jian will share more details on that as he is the lead designer of the protocol which is our proprietary technology.
Let's compare TBB with another brokerage and try to understand it that way
When you sign up for an account with, say, TD Ameritrade, they will give you a platform to trade
Any electronic broker would do the same; to be sure, they give you a trading platform so that you and the broker can communicate.
You may also do it on phone, if you don't want to use a computer.
But in all those scenarios, you somehow communicate with the broker
In our case, it is through the blockchain that the communication between the client and the broker takes place.
In no way on Earth you can make a transaction on NASDAQ, unless you are a brokerage firm yourself.
Let's go with TD Ameritrade, and let's say you install their platform, buy some MATX shares.
You will see in that very platform that you have some MATX shares. It will be shown to you via their platform, and it will be the obligation of the broker to maintain the equality of the numbers in that platform and the shares you actually have.
Thus, the brokerage license of the broker enables us to say that "the numbers you see in your screen are real shares."
Likewise, with TBB, we say that the numbers you'll see in the platform are going to be real shares.

Q:

So the entire TBB platform is on the blockchain, but the broker for stock exchanges is off-chain, and the broker interacts with the TBB platform to record the off-chain transactions.
So a user trading stocks on the TBB platform would be operating on the blockchain.

This session took place on December 14, 2016 in Cryptocopia Slack in #tbb channel.

A:

That sounds true, but let me put it in different terms.

The TBB platform consists of different on-chain and off-chain parts.

TBB Blockchain is the main ledger on which all transactions have a record.

TBB Brokerage has parts which work on TBB Blockchain, and parts which work with partner exchanges.

A user trading stocks would be operating on blockchain, but her orders will be carried to exchanges such as NASDAQ by TBB Brokerage.

Q:

Okay, understood

A:

SO we have got the entire god damn domain variations we possibly could

We need that for the trademark application…

But trust us, the name is our brand and it will blow all of our investors away!

Q:

I have another question pertaining to the On/Off chain parts of the platform when dealing with stocks, focusing on the volume of straight-through processing transactions and the speed necessary to achieve a high user count.

A:

Sure. Fire Away. We are all here to serve you.

Q:

Stock exchanges deal in milliseconds, and decentralized exchanges cannot keep up. How will the platform achieve the speed necessary to attract traders used to centralized speeds? If the user is communicating through the blockchain to the broker, how will they be guaranteed a price if it changes between when the user buys and when the blockchain relays the transaction to the broker?

A:

TBB will have centralized speeds.

TBB won't wait until the Tx gets recorded on chain.

Q:

So it takes the unconfirmed transaction and processes it off-chain ASAP

A:

There is no chance the user could double spend the balance, due to the Special Audit Nodes.

A transaction involving a stock trade is what we call a special transaction.

Q:

Ahh and therefore the special fee

Versus a normal decentralized trade, with the regular fee

A:

This session took place on December 14, 2016 in Cryptocopia Slack in #tbb channel.

And special transactions need three signatures, one of them being the signature of a Special Audit Node. Exactly!

Q:

Understood
So the way I see it, TBB is similar to BitKapital only UK-based, fully compliant, and will be uniting world markets together over a decentralized application.

A:

BitKapital would have to be proud of such a resemblance
But I have to say that TBB has a lot more than $bkt

A: BitKapital is on Bitshares … so there are some restrictions that we end up hitting now and then. Though we like Bitshares a lot and there are numerous options that are not enabled in that platform. For example, we do not have a Fix 4.4 connection from Bitshares to brokerage partner

Q:
Ahh, there's a big advantage for TBB

A:

You may be able to create assets that reflect actual NASDAQ shares on Bitshares. But you won't have any transfer of ownership

Q:
I see, thanks for the clarity guys!

A:

Very few people will realize the real benefit of TBB. I am glad we could explain you and you are able to see our shared vision.
And we are very happy with that, we would rather have a few genuine investors/supporters such as you than a bunch of speculators