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Crypto is taking Miami by storm

What's in it for the rest of South Florida?

For South Florida cryptocurrency fans, 2021 was an exhilarating year, as Miami positioned itself as a would-be capital for the industry nationwide.

The city hosted what was billed as the largest crypto conference ever, opened the door for its own coin, bearing the city's name no less, and welcomed an array of companies that moved their headquarters or set up outlier offices in Miami's Brickell Avenue financial district.

"Cities really only have two choices," Mayor Francis X. Suarez said at a Bloomberg-sponsored event in Miami earlier this month. "They can pretend it doesn't exist ... or they can face those realities, embrace that disruption, embrace the change."

Whether other South Florida cities and counties will follow Miami's lead in the coming year remains to be seen.

Despite wild swings in the price of Bitcoin, the groundbreaking digital asset, or perhaps because of them, the region's consumers have eagerly sought to get a piece of the action for the last several years.

According to the Pew Research Center, an estimated 16% of the U.S. population holds or once held cryptocurrencies. Six years ago, the figure was 1%. Crypto-investors have come to favor the asset because it operates independently of banks or government regulators. Coins are typically stored in virtual wallets, including online services that resemble bank accounts.

In Broward and Palm Beach Counties, a growing number of local businesses, from real estate and yacht brokers to hair salons and charter jet companies, have been accepting Bitcoin and other cryptocurrencies, and Bitcoin ATMs have popped up throughout the tri-county region.

But recently, local charities have shown interest, Broward investment firms are shoring up their crypto cred and local governments are brainstorming on how to take best advantage of the new currency's qualities.

Testing the waters

North of the Miami-Dade-Broward County line, there is less pop and sizzle for crypto than in Miami. But local governments are looking for ways to get involved. And private financial firms dealing in crypto



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are setting up offices from Fort Lauderdale to Palm Beach Gardens.

The Greater Fort Lauderdale Alliance, the economic development arm for Broward County, does not have any crypto-related projects, but Broward County Mayor Michael Udine is a fan and serves as the county commission's liaison with the alliance this year.

This week, he said he personally holds both Bitcoin and Ethereum, the second-biggest cryptocurrency by market cap after Bitcoin.

In February 2021, while vice mayor, Udine suggested to county commissioners that they should consider allowing residents to use Bitcoin to pay tax bills, or developers to pay fees for permits.

"Nothing's concrete yet," he said Wednesday, adding that there's a need to identify an exchange to help make the ideas work. He's speaking with a few.

Udine said he is also interested in finding ways to use crypto so that "unbanked" consumers, or those who have no bank accounts, can enter the financial system.

"There have been some different stakeholders on conference calls about banking the unbanked," he said. They include FTX, the Bahamas-based cryptocurrency exchange platform that allows users to trade cryptocurrencies, and OIC of South Florida, a nonprofit work force training and education service.

There is a need. Last June, a senior executive and two economists with the Federal Reserve Bank of New York noted in a white paper that

roughly one in twenty American households do not have a checking or savings account with a bank.

"Inadequate access to financial services pushes the unbanked to use high-cost alternatives for their transactional needs and can also hinder access to credit when households need it," the authors wrote. "That, in turn, can have adverse effects on the financial health, educational opportunities, and welfare of unbanked households, thereby aggravating economic inequality."

Udine said it's too early to tell what can be done for county residents who lack access to basic financial services.

"We're trying to see if we can come up with something in the crypto space," he said, adding the solution could involve a "crypto type debit card" that could be replenished from time to time.

Private investing

On the opposite end of the spectrum, crypto is taking hold among clients of local financial institutions.

Moss & Associates, the national construction management company based in Fort Lauderdale, announced this month the formation of Moss Family Office Worldwide, an asset acquisition management firm that includes a cryptocurrency investment arm called NXS Crypto Fund. The fund's clients are composed of "accredited investors" who have a net worth of \$1 million or more.

"There is such a huge demand for accredited investors to have exposure to cryptocurrency," said Brent Campbell, the fund's founder and managing director. "This

is a long-term play. You're seeing the adoption happen right before your eyes and people want access to it."

Campbell said Miami "has taken a strategic approach" that created a framework for other cities to adopt.

"Most cities really need to take notice of what Miami is doing in order to be competitive," he said. "I think it's going to happen at a fast rate and a lot of these city leaders need to have their finger on the pulse of what's happening."

Crypto trading is not confined to high end investors.

TradeStation Group, the longtime online securities trading platform based in Plantation, allows clients to buy, sell and trade cryptocurrencies on their own. The firm, which offers \$10 in crypto to new customers, announced it is going public through a merger with another firm. The deal, the company says, aims to raise TradeStation's brand awareness among investors.

In Palm Beach County, Virtu Financial, a New York-based electronic trading firm, set up a Palm Beach Gardens office to house 55 employees. Doug Cifu, the CEO, is a partner of the Florida Panthers hockey club.

Earlier this year, the multi-billion dollar trading firm announced it has been market making on major crypto venues. That means they've been assisting exchanges by buying or selling assets when there is a shortage of liquidity.

Crypto and philanthropy

Nonprofit groups are also entering the space,

accepting donations in crypto with the help of intermediaries that screen donors and arrange for the transfer of funds.

Handy (Helping Abused Neglected Disadvantaged Youth), which since 1985 has helped Fort Lauderdale area youths displaced from their homes due to domestic violence, abuse, or abandonment, accepted its first donation this week in crypto worth \$4,700, said CEO Kirk Brown.

"It checks all of the boxes," Brown said. "it's a financial donation from individuals that go through a rigid screening process to make sure the donation is in alignment with tax laws and also the nonprofit is protected."

That protection is provided by a platform called Giving Block, which since 2018 has helped nonprofits accept crypto donations while helping donors identify charities that can accept them. The platform also helps the nonprofits create campaigns to raise their visibility among would-be donors, many of whom are younger people.

Brown said interest is high among donors in the 18- to 45-year-old age range.

"I think it's an untapped marketplace for the donors who are looking at a different way of making a social impact," Brown said.

"We feel confident in the checks and balances we put in place," he said. "We are the first to do so. It's about making sure our auditors are happy, our donor base is happy and our recipients know we will leave no stone unturned to lift people out of poverty."