Sea of BTC

Bitcoin Management Summary and Agreement (BITCOIN TRADE PROFITS BASED)

Managed By Harrison Kinsley
SeaofBTC.com
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For the purposes of this Summary and Agreement, any prospective investor, or current investor is referred to as "Client." Sea of BTC, any employee of Sea of BTC, and Harrison Kinsley are synonymous with "Fund" or "the Fund."

Client's name: _____ (Please print your name)

Client's Email: _____

Summary

Sea of BTC Bitcoin Management is an alternative investment option for your Bitcoin, which uses an automated trading algorithm to engage in trading at key points. This puts the fund as a form of Software as a Service (SaaS). The focus is to hedge against price fluctuations, grow your account's Bitcoin amount, and keep trading fees to a minimum. This fund is unique to most other funds in the world, as is the crypto-currency that is being used.

The current system allows for your money to be managed within your own private account, for a heightened level of security and transparency, where even I could not transfer your money to myself.

My initial goal was to create a trading algorithm for myself. However, several individuals with similar interests had already contacted me within days of making just a mention of this on my YouTube channel. We all wanted to protect the value of our Bitcoin, while increasing the amount of Bitcoin in the account. The fund began in December 2012 with an initial investment by an outside investor at the time of $36,000 USD worth of Bitcoin. As of January 2014, the fund is valued at ~$170,000 USD.

Who am I

A self-taught programmer, I love what I do, I like data and I enjoy finance.
I'm the founder of http://sentdex.com, which is a Sentiment Analysis website for finance (including Bitcoin), politics, and global sentiment.

I teach programming at http://pythonprogramming.net and at https://youtube.com/sentdex where I post video tutorials about programming, machine learning, finance, and even Bitcoin.
The channel currently has over 15,000 subscribers and 700 videos.
The YouTube channel is also where my first investors contacted me.

For more about me, check my personal website: http://hkinsley.com
The best way to contact me is through my Skype: harrison@sentdex.com
My email for this fund is also: harrison@seaofbtc.com

Objectives

The goal of Bitcoin Management is to increase the amount of Bitcoin in your account, while increasing it's purchasing power and maintaining a solid, stable, and reliable return that beats buying and holding.

All of this can be achieved by separating ourselves from the emotionally volatile aspects of hand-trading, and engaging in a much more investment-minded approach to Bitcoin.

The Trading Strategy and Technology

The algorithm currently trades via the BTC-e or Bitfinex trade API. The volatility and fees on those will need to be accounted for with a few variable changes.

The trading strategy is built as a modified "Grid Trading System," which is:
A series of positions and open orders that are built with a predetermined spread defined by the trader.

As is the nature of a grid strategy, there is no use of stop-loss. The Client should be comfortable with this. Typically, the Fund is prepared to go substantially (sometimes up to 50%) lower than the average price for that month. The Client may inquire as to what the Fund is prepared to go down to if they are curious.

Transparency and Security

Transparency is valued very highly here in the Fund. Harrison Kinsley is very open and public, as is the fund. Clients can view their own personal account at any time they wish, and actually see the real trades occurring at any point. The client is provided with some various account performance metrics, though they also retain full control of their account and can verify these numbers for themselves.

Risks

It is the Client's responsibility to fully consider the strategy, the manager (Harrison Kinsley) and only invest with bitcoin that the Client can afford to lose, or leave hanging in an offer indefinitely.

If the Bitcoin price drops below the Client's minimum capable buy offer, then the Client will have to wait until price rises again. If it does not, the Client will either have to wait indefinitely, or take the loss.

Due to the nature of this setup, as Software as a Service (SaaS), technological bugs/glitches can occur. This includes but is not limited to mistaken buys or sales, non-action when there should have been, the Trade API lagging, glitches, the Exchange themselves being DDoSed (denial of service attack) causing problems, and many more.

Risk is minimized as best as possible, but there are possibly things that can't be, or are not, foreseen. As a reminder, the Fund will not actually have full control of account. Account security is very important and will remain your own responsibility. Through the Trade API, all the Fund can do is execute trades. It is HIGHLY suggested that the Client enables 2-step authentication. BTC-e allows it through the Google Authenticator smartphone app, same with Bitfinex. This is a fantastic security enhancement. These are just some of the various risks. Exchanges can be shut down, or just totally run off with your money. Bitcoin is the 'Wild West.' With it can come great rewards, but the risks are definitely there.

Listed below are just some of the risks regarding this fund:

- This fund is very new.
- This fund is run by Harrison Kinsley, who also is very new to fund management. More about Harrison Kinsley can be found: **HKinsley.com**. You can also visit **YouTube.com/Sentdex** to gauge Harrison's programming and finance experience.
- The fund is almost entirely run by a program, written by Harrison Kinsley, which can have bugs or glitches causing complete loss of funds.
- In the early stages of the program, there were three (3) bugs that cost the starting account an estimated ~7% worth of missed gains in the initial stages.
- Bitcoin is still called "experimental" by many, and is very volatile. Bitcoin could become completely worthless within a day due to 256-bit encryption somehow being broken, an unseen flaw in the protocol, some sort of regulation, or any number of unforeseen causes.
- You must entrust your funds in whatever exchange you use. Exchanges can fudge numbers, fake account values, or completely run off with your money to name a few risks. It is important that you understand that Bitcoin is not regulated, and justice for Bitcoin theft is rarely seen.
- You must protect your account on whatever exchange you use. Two-factor authentication is highly recommended along with a good password.
- Even if there is no malicious intent, it could be possible that exchanges lose your information. Most of these exchanges are run by people with little to no experience in the field of finance, much like this fund.
- While the strategy of the fund is low-risk, Bitcoin is very high risk, and any form of investing or trading is very risky.
- You should never invest, trade, or otherwise risk money that you cannot afford to lose in its entirety.
- Past performance, or a back-test, while providing some useful information, is in no way solid indicative proof for future gains.

Fees - BITCOIN TRADE PROFITS BASED

There is a 1% load fee, based on your account's value. This is a non-refundable fee, and is paid upon entrance into the fund, as well as any time you increase your account's value. Even if you take out money that you paid a 1% load fee on already, then put back, there will be another 1% load fee on this.

Along with any exchange trading fee, and the above load fee, 30% of bitcoin gains are due. These are bitcoin gains based on the total "BTC" valuation of your account at the last logged time for the month. If your account does not accrue more bitcoin, then no fees are due.

Please understand this means that you are unlikely to have any fees to pay when the value of bitcoin goes up, but you will have fees to pay when the value of bitcoin goes down.

Fees are due within 7 days of being notified about your dues. Fees are based on the previous month's profits.

Agreement:

The Client hereby agrees that they understand and agree to all the all of the above, in full and the following:

1. The Client hereby agrees and understands that their account can lose all, or a substantial value or portion, of their account by investing in the Fund.
2. The Client agrees to and understands that there is a non-refundable 1% load fee based on any funds added to their account and upon the amount they enter the fund with. This includes situations where a Client withdrawals money and adds it back, they would owe 1% again on added funds. See fees section.
3. The Client agrees to pay 30% of bitcoin gains(see fees section). If profit is earned for the month, and they agree to pay the fee within 7 days of notification. If payment is not received by the 7th day, the Fund reserves the right to terminate service. If the Client knows that they will be unable to pay, such as being on vacation, the Client agrees to inform the Fund. Under this situation, the Fund agrees to grant leniency to the fee pay-out time frame up to 30 days, at the Fund's discretion.
4. In the cases of fraud and deception the Client may pursue legal ramifications against Harrison Kinsley or the Fund.
5. If the Client feels the Fund or Harrison Kinsley is negligent, then the Client's right is to exit the Fund, paying any due fees.
6. The Client agrees to not hold Harrison Kinsley, or the Fund, liable for any realized Bitcoin (BTC) loss, dollar loss, or any other loss. This agreement does not apply to Harrison Kinsley, or the Fund, defrauding or deceiving the Client (see #3).
7. The Client reserves the right to leave the fund at any point, paying any due fees.

8. The Client understands and agrees that any account profit is, by default, continued to be traded within the Client's account in the interest of compound interest.
9. The Client reserves the right to withdraw partially from the fund at any point.
10. The Client agrees that the fund is "highly risky," due to the new nature of the fund, an inexperienced manager, and the fact that Bitcoin itself is still in its infancy.
11. The Client agrees that they are paying for the Software as a Service (SaaS), which simply manages their account for them on an exchange that is not affiliated with the fund.
12. The Client understands that the Fund intends to cooperate fully with local, state, and federal law enforcement agencies. This includes reporting suspicious activity.
13. The Client agrees that they will pay the proper taxes on their capital gains, along with following the applicable laws where they reside.
14. The Client agrees that the term length of this contract starts when the Client pays a load fee until the client completely leaves the fund and service is ceased.
15. The Client agrees that any legal proceedings will take place in the closest applicable courthouse to the Fund's residence. (Currently Fort Worth TX, 76126 United States)
16. The fund reserves the right to terminate or deny service to anyone at any point, for any reason.

The Fund and the Client, by signing below, agree to abide by the terms of this agreement and intend to be legally bound by it.

Signed Sea of BTC Manager, Harrison Kinsley: _____

Date: _____

The Client: _____ (printed name)

Signature: _____

Date: _____