

Bitcoin Phase-1 is Over. On to Phase-2

It's one of those days in bitcoin. MtGox internal documents allegedly leaked. 744,000 BTC potentially "missing" from MtGox's books. NYTimes and Wired running articles with dramatic headlines and several FUD paragraphs...

Nobody ever said bootstrapping the world's first truly global, ideal-for-our-times, decentralized currency was going to be easy. As the media circus surrounding MtGox's likely demise begins in earnest tomorrow, let's brush off the attacks on Bitcoin in general, and look to the next generation of bitcoin businesses.

MtGox was a holdover from early bitcoin, where clearly incompetent people/operations handled massive amounts of customer funds. That phase of bitcoin's development has been ending, with the termination of MtGox being the final chapter.

The next phase will be driven by professional, larger-scale, audited, transparent companies. They will look to use the transparency, proof, and segmented control features of bitcoin to build trust, and demonstrate the unique power of bitcoin. Look soon for an exchange offering real-time proof-of-reserves, and multi-sig account control.

The next phase may not be as roller-coaster exciting as bitcoin's birth, but it'll change many more lives for the better. The next 100 million users await.