



The managing partners at Encrypted Capital are (from left) Rocky Ermilio, Ken Haton, and Chris Bauman.

## Introducing the Cryptocurrency Advisors at *Encrypted Capital*

**E**NCRYPTED CAPITAL is a new financial services company in Barrington that focuses solely on cryptocurrency. Founded in 2020, its partners have the depth of 10 years of experience in the emerging asset class of cryptocurrencies. Each of the partners brings a unique perspective to the firm, and together they have created services aimed at helping people, families, and businesses create, preserve, and protect wealth. We spoke with the team to learn more, and to offer information on their individual backgrounds.

### ROCKY ERMILIO, Managing Partner

After over 15 years in the Banking and Finance industry, Ermilio saw the opportunity to be on the cutting edge of a new asset class with very little-to-no guidance for retail investors. Encrypted Capital is first in solving that problem and his opinion is that we will only see the demand for their services grow in the years to come. “There is a unique excitement that comes with investing in crypto, and while the swings can test your patience, the opportunity for significant upside potential in a rather

young asset class is what excites me to be invested in cryptocurrencies,” Ermilio said.

### KEN HATON, Managing Partner

Ken Haton has been on the forefront of cryptocurrencies for over a decade. Having the foresight to see its potential early on, Haton brings experience that few have. “I have experienced multiple bull and bear markets and everything in between,” he said. With his vast knowledge and experience Haton brings his clients the education to avoid the common mistakes for the retail investor. He has his own podcast on YouTube and sees cryptocurrencies as the opportunity of lifetime for his generation, as well as generations to come.

### CHRIS BAUMAN, Managing Partner

Chris Bauman is a successful business owner and entrepreneur. Bauman started in banking and investments right out of college with positions at ABN AMRO, as well as Morgan Stanley, while working on his MBA at Valparaiso University. He eventually turned his passion for music into a full-time career by founding multiple music-focused companies and acquiring music venues, including

founding Shirley’s Piano Bar, which is named after his grandmother and located in downtown Barrington—all part of his Zenith Music Group. Bauman believes that every generation has a financial vehicle and path to wealth creation, and cryptocurrencies are this current generation’s vehicle.

***Cryptocurrency is not backed by fiat currency, precious metals, or any institution. How do you know it is a real asset that has market value?***

Not all cryptocurrencies in our opinion have real market value, as there are close to 10,000 of them. The assets that have real value solve a real-world problem showcasing their utility and are not based in speculation. There is a handful of cryptocurrencies that meet this criteria, in our opinion. As more and more institutions like Goldman Sachs and JP Morgan get into the space and offer cryptocurrencies to their clients, this adds validity to this emerging asset class. We have seen China start the process of creating a digital Yuan and the U.S. has stated they are exploring a digital dollar. Add that to the fact that Bitcoin was created in 2009, we know that cryptocurrencies are here to stay. The real question is...which ones will survive?

***Why do you believe cryptocurrency should be a part of personal investment portfolios?***

We believe that cryptocurrencies should be a part of personal investment portfolios simply because the percentage gains (if timed correctly) can be massive. Coins like Ethereum have gone from sub \$1 to \$4,200. Those types of gains are hard to ignore, which is why we feel at least some exposure could be beneficial.

***Do you recommend a percentage of assets within a portfolio for investing in cryptocurrencies?***

That is entirely up to the individual, as each person's situation and risk-tolerance is different.

***There are thousands of cryptocurrencies, just like there are thousands of stocks and mutual funds. How do you determine which currencies you are comfortable investing in?***

In order to determine which assets we invest in, we go through a lengthy research process which involves researching the company, developers, executives, and advisors who make up the asset, as well as the asset's utility and performance since its inception.

***What's the difference between cryptocurrencies and blockchains?***

Blockchain is the technology that enables the existence of cryptocurrency, which contains the ledger that records the transactions. These transactions form a block and are "chained" together. A cryptocurrency is a medium of exchange, such as the U.S. dollar, but is digital and uses encryption techniques to control the creation of monetary units and to verify the transfer of funds.

***Blockchain technology and the trading of cryptocurrencies is a rapidly evolving space. Do you see blockchain technology taking on a larger scope as a platform?***

Yes, blockchain technology is already taking on a larger scope as a platform. As mentioned, countries will soon be using this technology to issue their own digital-backed currencies. We will also see cryptocurrencies act as a bridge currency between countries. Real estate, art, and a host of other assets will all be transacted through blockchain technology.

***Are cryptocurrencies volatile? What should an investor's risk tolerance look like?***

Cryptocurrencies have the most volatile market of any asset. Investors should be prepared to see wild swings in either direction. You can have

300% gains one day and 80% corrections the next. Investors really need to know why they are investing in the cryptocurrencies they choose and need to have patience to let these assets mature.

***What are the risks of owning cryptocurrencies? How do you mitigate them?***

Exchange hacks are the biggest risk of owning cryptocurrencies. This can be mitigated by storing your assets off the exchanges and on your own personal hardware wallet. We use a Ledger device which resembles a flash drive, but is a little more complex. This device is password protected and is needed in order to make any transactions out of your account. This means that even if your computer is hacked or stolen no funds can be lost as the hacker does not have the device in order to access your funds. Ledger is one of the most trusted ways to store your cryptocurrencies.

***Do you only advise your clients, or do you manage their money?***

We do not take fiduciary responsibility over any of our clients' money. We do, however, provide them with data and research in order for them to make educated decisions on which cryptocurrencies may be best for their goals.

***What do you offer with your memberships?***

Our members receive unprecedented access to our proprietary research, analytics, and data which will allow them to make the most informed decisions possible in the crypto space based on their risk tolerance. We offer members one-on-one help as they design their portfolios, guiding them through the exchanges and other technical knowledge needed to buy assets. Member information provided includes exit and profit-taking strategies based on our research to ensure that our clients capture their potential gains. A cold-storage wallet is given to each member that is used to securely store their assets off from the various exchanges, giving our clients peace of mind that their funds are safe. We want our members to have an experience that strives to provide remarkable customer service and create a community that supports each other's ventures in the cryptocurrency market.

*Schedule a consultation with Encrypted Capital to learn more. Mention "QB" for a complimentary consultation. For more information, email hello@encryptedcapital.com or call 312-488-9136. Visit encryptedcapital.com. U*



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