



Boxing In Bitcoin

John S. Pennington Jr.



DISCLAIMER

This is **not** financial advice.
This is just for fun!

- Co-Founder of a \$28 billion family of private equity funds
- The company - Bridge Investment Group (BRDG) completed an Initial Public Offering (IPO) on New York Stock Exchange (NYSE) in 2021
- John credits the explosive growth of the company to his brilliant business partners, a few are retired, the rest run the company today.
- Retired 2021, still a significant shareholder with Partner Emeritus status

A little over a year ago I had the following responsibilities:

- Signatory on over 1,500 bank accounts at 19 different banks
- The Chief Compliance Officer for all S.E.C. regulatory compliance
- The President of 100 corporations in Delaware -- controlled by Bridge
- The Anti Money Laundering Officer for all Cayman Island Feeder Funds
- Member of the Board of Directors – as Secretary
- The Chairman of Disaster & Recovery (4000 employees in 33 states)
- The point person for companywide E&O and D&O insurance



IPO day – on the NYSE

John takes the bull by the nose and begins retirement

John S. Pennington Jr.
July 16, 2021
New York – Wall Street



BIO – JOHN S. PENNINGTON JR.

- **1964** Born Nashville Tennessee
- **1968 – 1982** Las Vegas Nevada
- **1988** Bachelor of Science Degree in Economics – University of Utah
- **1989** Co-founder of export business with offices in Utah, Germany and Spain
- **1998** Equity owner and COO of a public company
- **2000** Broker dealer floor manager – stockbroker
- **2004** Co-founder of Bridge Loan Capital Fund I, LP
- **2007** Co-founder of Bridge Loan Capital Fund II, LP
- **2008** Co-founder of a family of investment funds – grew to \$28 billion Assets Under Mgmt.
- **2021** company completed IPO on NYSE
- **2021** retired

Married for 36 years, with three sons, two daughters in law and five grand children.
One of my grandsons is named **“John Pennington VII”**

BACHELOR OF SCIENCE DEGREE IN ECONOMICS

UNIVERSITY OF UTAH 1988 (ATTENDED BYU 1985 - 1986)

Price is a Language

1. Price is a language
2. Price is always telling you something
3. Price has meaning

USED LEVI'S 501 JEANS BUSINESS : 1989 TO 1998

Price is a Language

Price in 1989: Levi button fly 501 denim jeans = \$14 in Utah

Price in 1989: Levi button fly 501 denim jeans = \$100 in Eastern Europe

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START : 1989
SELL USED BLUE JEANS



FINISH : 2021
**\$28 BILLION ASSETS UNDER
MANAGEMENT (AUM)
AND IPO ON THE NYSE**





HOW LONG IS 1 BILLION SECONDS?

- A** 31 weeks
- B** 31 months
- C** 31 years

HOW LONG IS 1 BILLION SECONDS?

A 31 weeks

B 31 months

C 31 years ✓

33.3% CHANCE OF WINNING

• *

33.3%

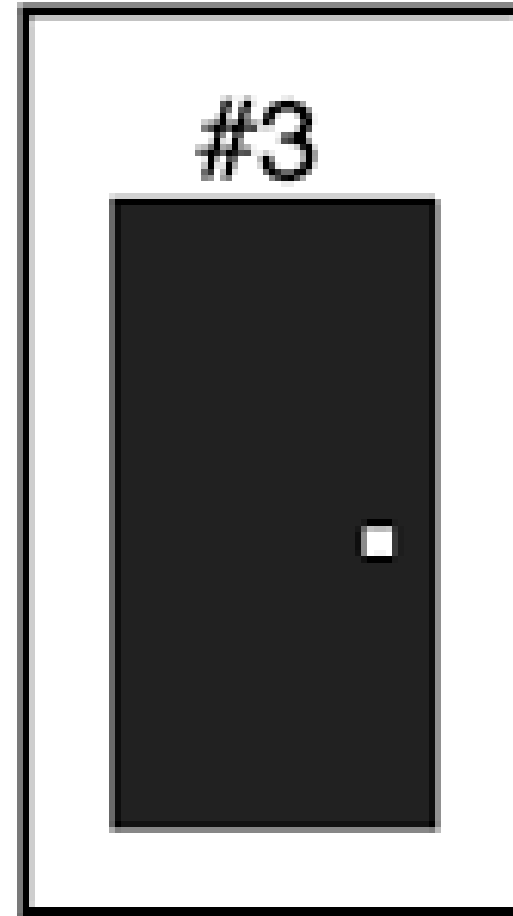
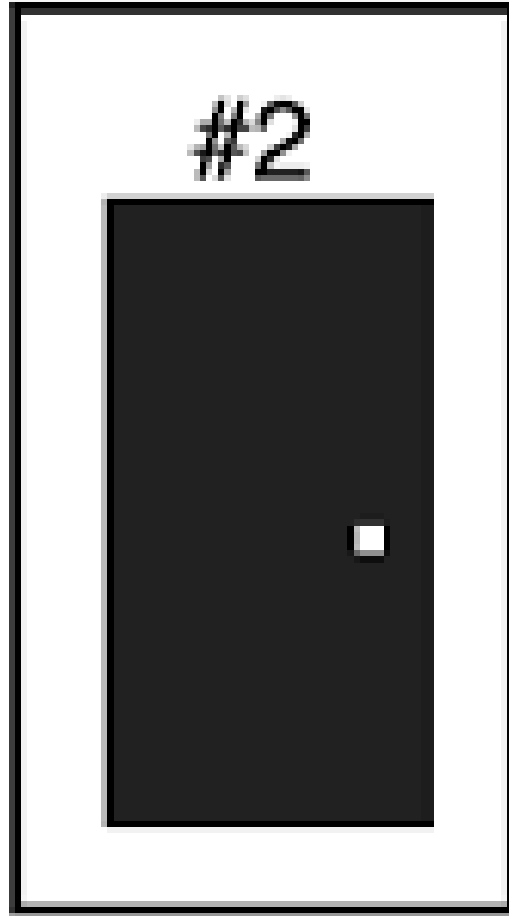
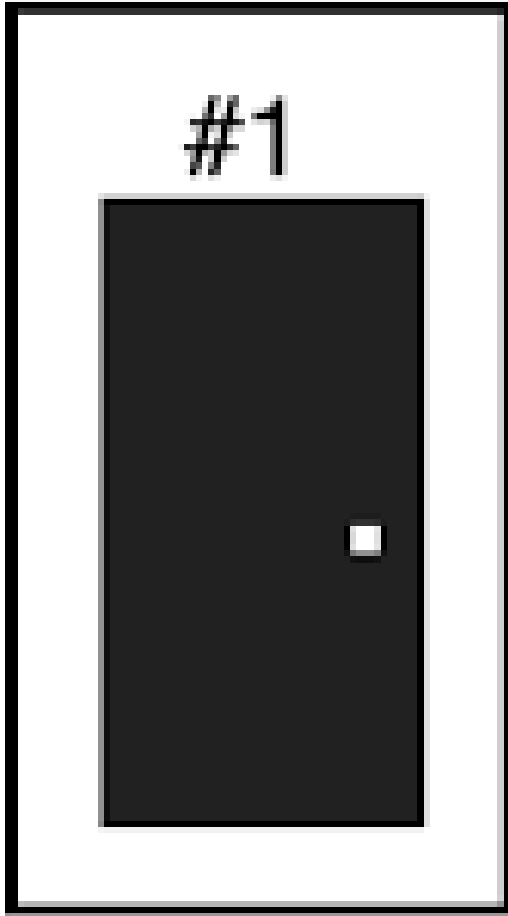
33.3%

33.3%

#1

#2

#3



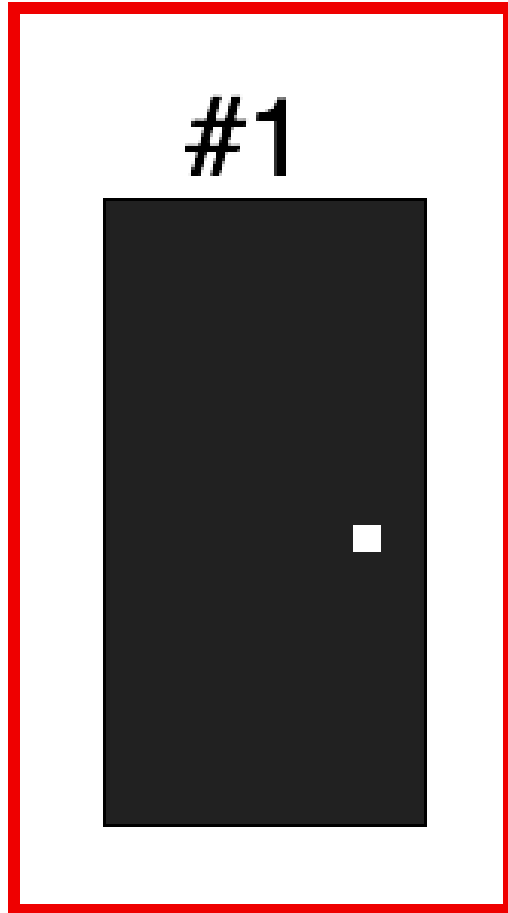
ONLY TWO DOORS REMAINING

- You choose door #2 (33.3% chance of winning)
- Then I remove door #1 as a possible choice.

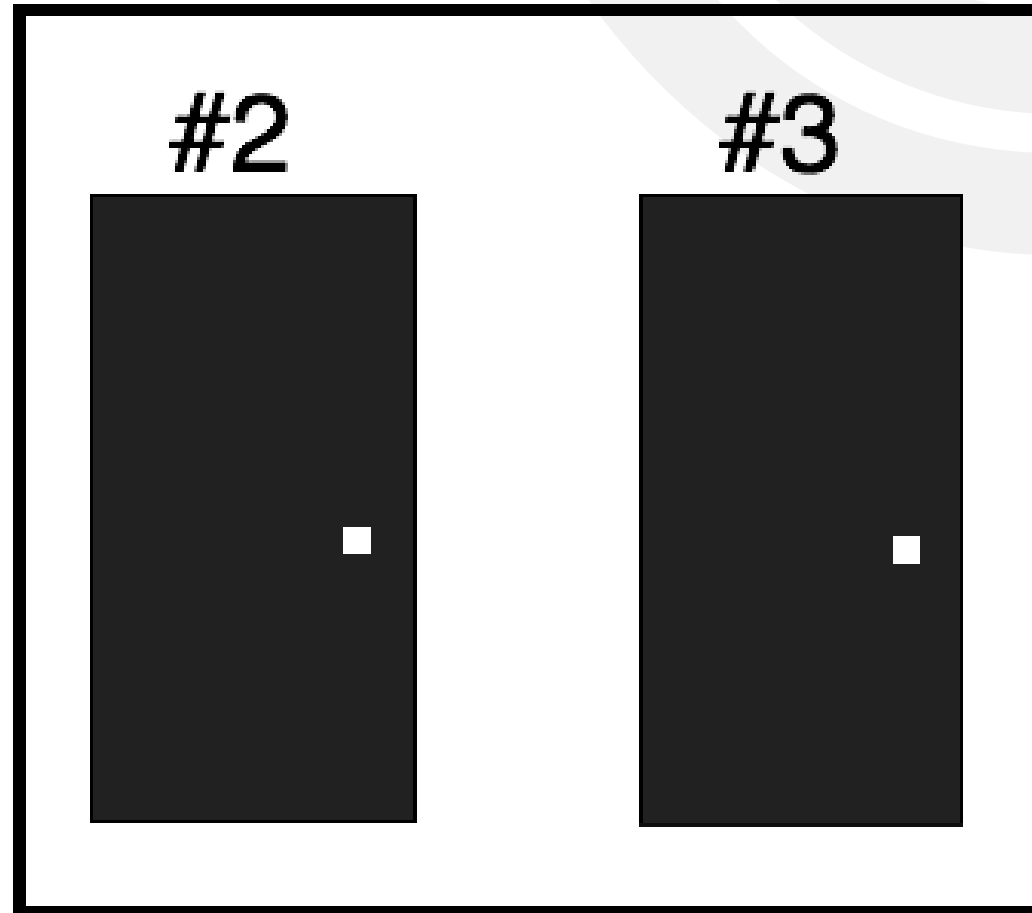


REMOVE DOOR #1 -- AND ALLOW YOU TO CHANGE YOUR DOOR

33.3%



66.6%



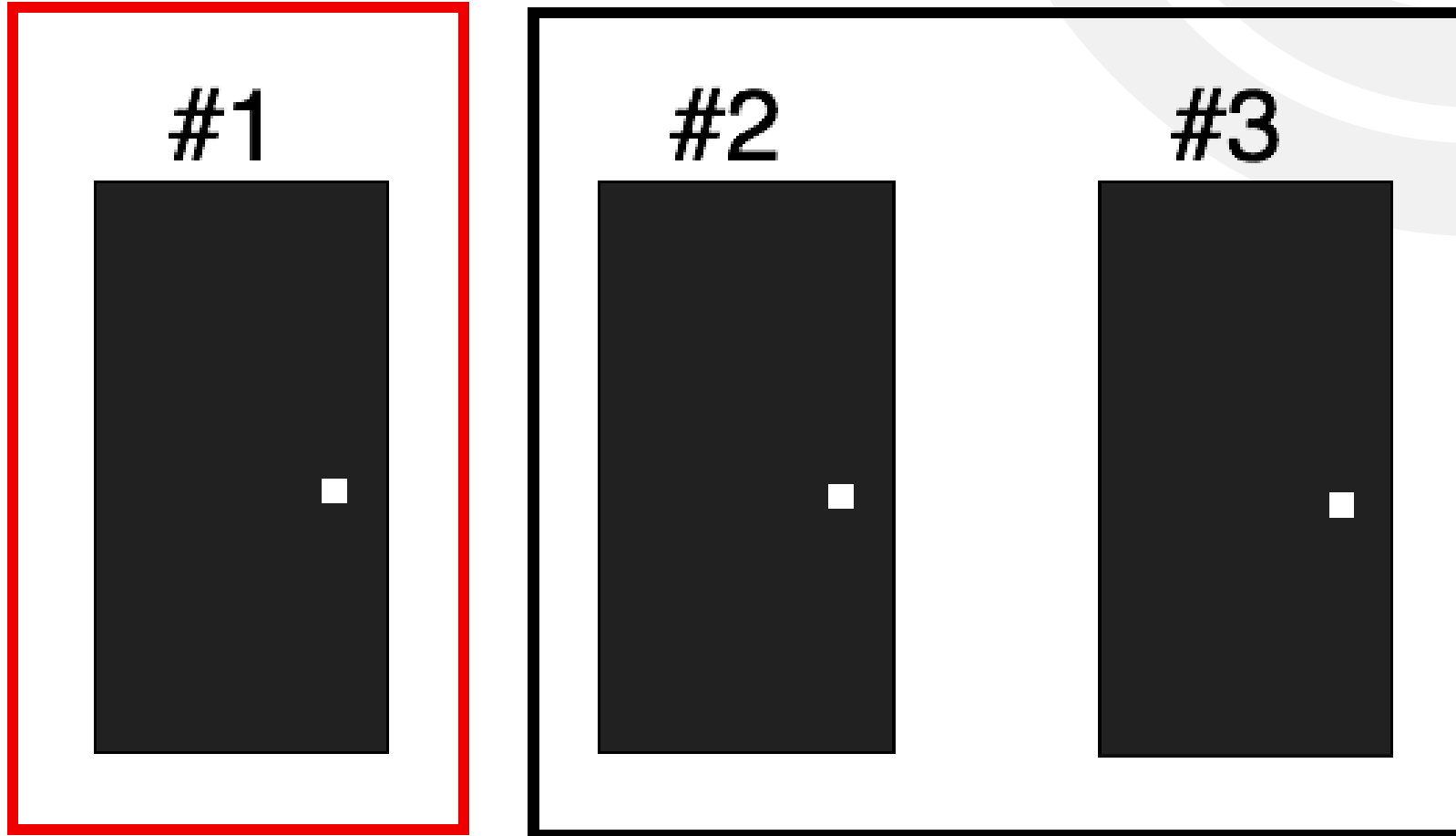
ONLY TWO DOORS LEFT

- You choose door #2 (33.3% chance of winning)
- Then I remove door #1 as a possible choice.
- Now there are only two doors remaining (door #2 and door #3)
- With only two doors remaining, what are the chances that door #3 is correct?
- Is it a 50% chance (50/50)?

66.6% CHANCE OF WINNING IF YOU CHANGE TO DOOR #3

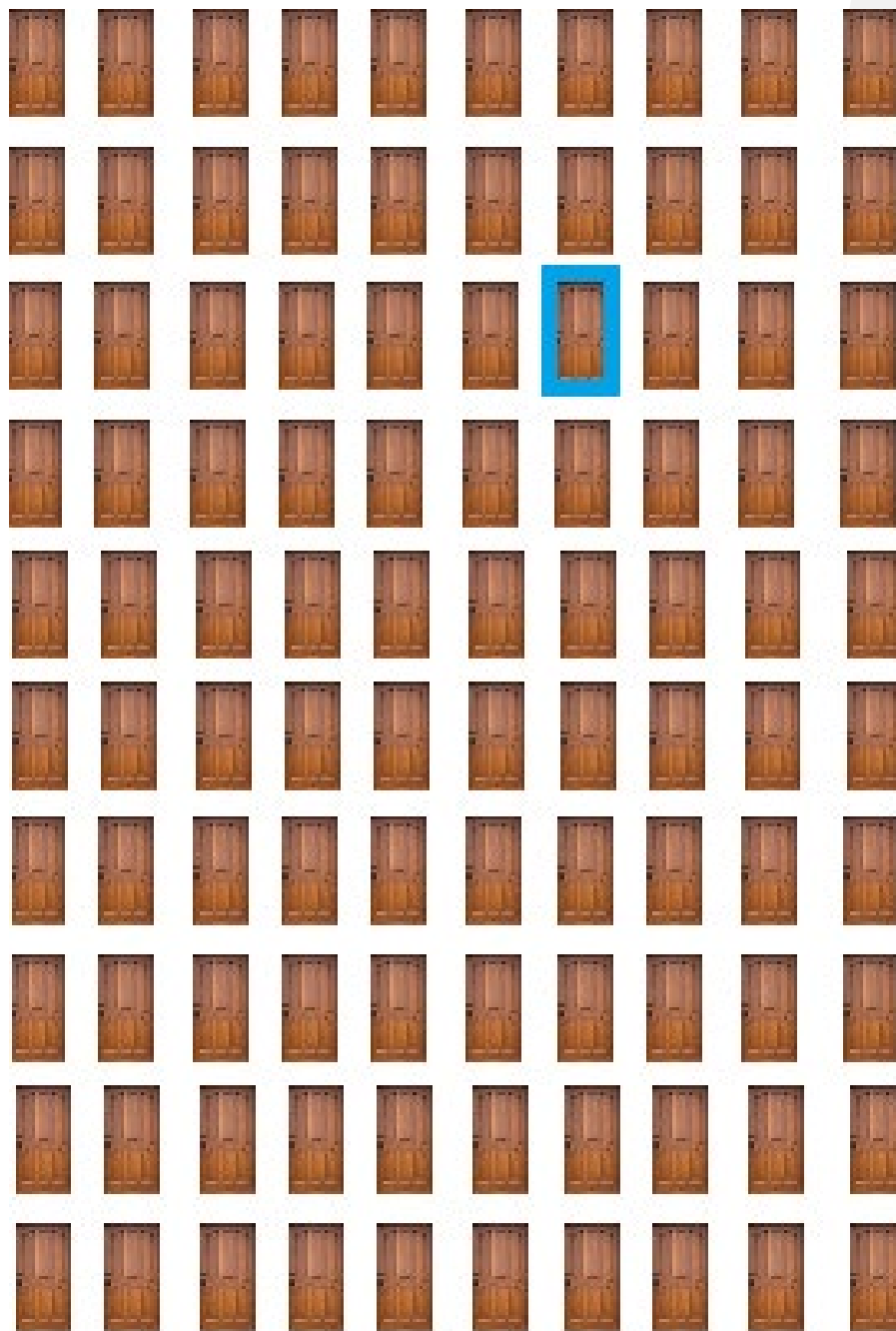
33.3%

66.6%



100 DOORS TO CHOOSE FROM

- You have a 1% chance of winning.
- You choose door #2
- I eliminate all the doors except for door #2 and door #27 (two doors)



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-
- Having HISTORY can change your probabilities!



THE PRICE OF MONEY

When interest rates are close to **\$zero**,
what does this tell you?

The #1 best selling product in **world history**... is the **U.S. Dollar**.

It sells better than hotcakes.

CREATE AND MAINTAIN INSATIABLE DEMAND FOR THE U.S. DOLLAR
SELLING LIKE HOTCAKES.

**The #1 job of the U.S. Federal Reserve
is to protect and promote the U.S. Dollar.**

1. Tax U.S. citizens and require all taxes to be paid in U.S. Dollars.
2. Require that all crude oil transactions, worldwide, are in U.S. Dollars only.
3. Require the SWIFT system (bank to bank transfers) transact in only U.S. Dollars.
4. Flood the earth with irresistible low interest loans that must be repaid in U.S. Dollars.

FLOOD THE PLANET WITH LOW INTEREST RATE \$\$\$ LOANS

- Dec 2018 = raise % rates 3 times
- Jan 2019 = lower % rates 3 times
- March 2019 = \$3 Trillion in Negative Interest Rates
- July 2019 = \$14 Trillion in Negative Interest Rates



NO PREDICTIONS... JUST PROBABILITIES

Boxing In Bitcoin

WHICH OF THE FOLLOWING STATEMENTS ARE TRUE?

1. The U.S. Federal Reserve does not even care about bitcoin.
2. The U.S. Federal Reserve would never try, or even want to control bitcoin.
3. The U.S. Federal Reserve does not view bitcoin as a threat to the U.S. Dollar.
4. The #1 job of the U.S. Federal Reserve is to protect/promote the U.S. Dollar.

DO IDIOTS RUN THE U.S. FEDERAL RESERVE?

Analogy of the idiot restaurant waiter

The FED owns the best-selling product
in world history = the US Dollar.

So who is the idiot?

U.S. SEC FINED JP MORGAN \$1 BILLION FOR MANIPULATING THE PRECIOUS METALS MARKET

SUMMER 2020

1. JP Morgan paid almost **\$1 billion** in fines (\$930 million in fines)
2. JP Morgan manipulated the worldwide prices of silver and gold for **nine years**
3. JP Morgan hid their illegal operation from the U.S. SEC
4. JP Morgan dealt with ETFs that can purchase actual physical gold and silver
5. JP Morgan is just a company, they do not have unlimited funds
6. Gold has a market cap that is **30X larger than bitcoin**

NOVEMBER 2021 = BITCOIN BOX (CAGE)

1. Bitcoin hits all time high
2. U.S. SEC allows a **futures** market in a Bitcoin ETF
3. U.S. SEC **does not** allow a spot market for a Bitcoin ETF
4. U.S. SEC extends lawsuit against XRP (Ripple) – protecting SWIFT
5. Bitcoin starts an uncharacteristic range trading pattern.
6. Hillary Clinton warned the rise of bitcoin could undermine the U.S. dollar's reserve currency status. (What is the probability of this statement?)

The #1 job of the U.S. Federal Reserve is to protect/promote the U.S. Dollar.

FED LOADS UP ON BITCOIN IN 2021





MARKET CAP

Gold	\$11 Trillion
Amazon	\$1.1 Trillion
Silver	\$1.1 Trillion
Bitcoin	\$370 Billion

THE U.S. FED HAS UNLIMITED \$\$\$

1. Federal Reserve spent \$120 billion a month for 30 months purchasing bonds. (\$8 Trillion on the balance sheet of the Federal Reserve)
2. Gold is 30X times the size of Bitcoin.
3. JP Morgan is just a private company. (Nine years of manipulation)
4. The U.S. FED is the most powerful entity in world history. (With unlimited \$\$\$)

NO PREDICTIONS... JUST PROBABILITIES

Real Estate has three rules;

1. Location,
2. Location, and
3. Location

Investing has three rules;

1. Don't fight the FED,
2. Don't fight the FED, and
3. Don't fight the FED

FDR GOLD CONFISCATION IN 1933

POSTMASTER: PLEASE POST IN A CONSPICUOUS PLACE. — JAMES A. FARLEY, Postmaster General

UNDER EXECUTIVE ORDER OF THE PRESIDENT

Issued April 5, 1933

all persons are required to deliver

ON OR BEFORE MAY 1, 1933

**all GOLD COIN, GOLD BULLION, AND
GOLD CERTIFICATES** now owned by them to
a Federal Reserve Bank, branch or agency, or to
any member bank of the Federal Reserve System.

Executive Order



GOLD BACKED \$20 (FEDERAL RESERVE GOLD CERTIFICATE)



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BRETTON WOODS, 1944



BRETTON WOODS = US NAVY PROTECTS SHIPPING LANES



U.S. DOLLAR EVOLUTION

	The U.S. Dollar evolution
1914	Federal Reserve
1929	Stock Market Crash
1933/34	Gold confiscation and The SEC (Securities & Exchange Commission) (US \$ reset)
1944	Bretton Woods, NH (World \$ reset)
1971	President Richard Nixon, U.S. Dollar not backed by Gold (temporarily) (World \$ reset)

MUAMMAR GADDAFI (LIBYA)



SADDAM HUSSEIN (IRAQ)



VLADIMIR PUTIN (RUSSIA)

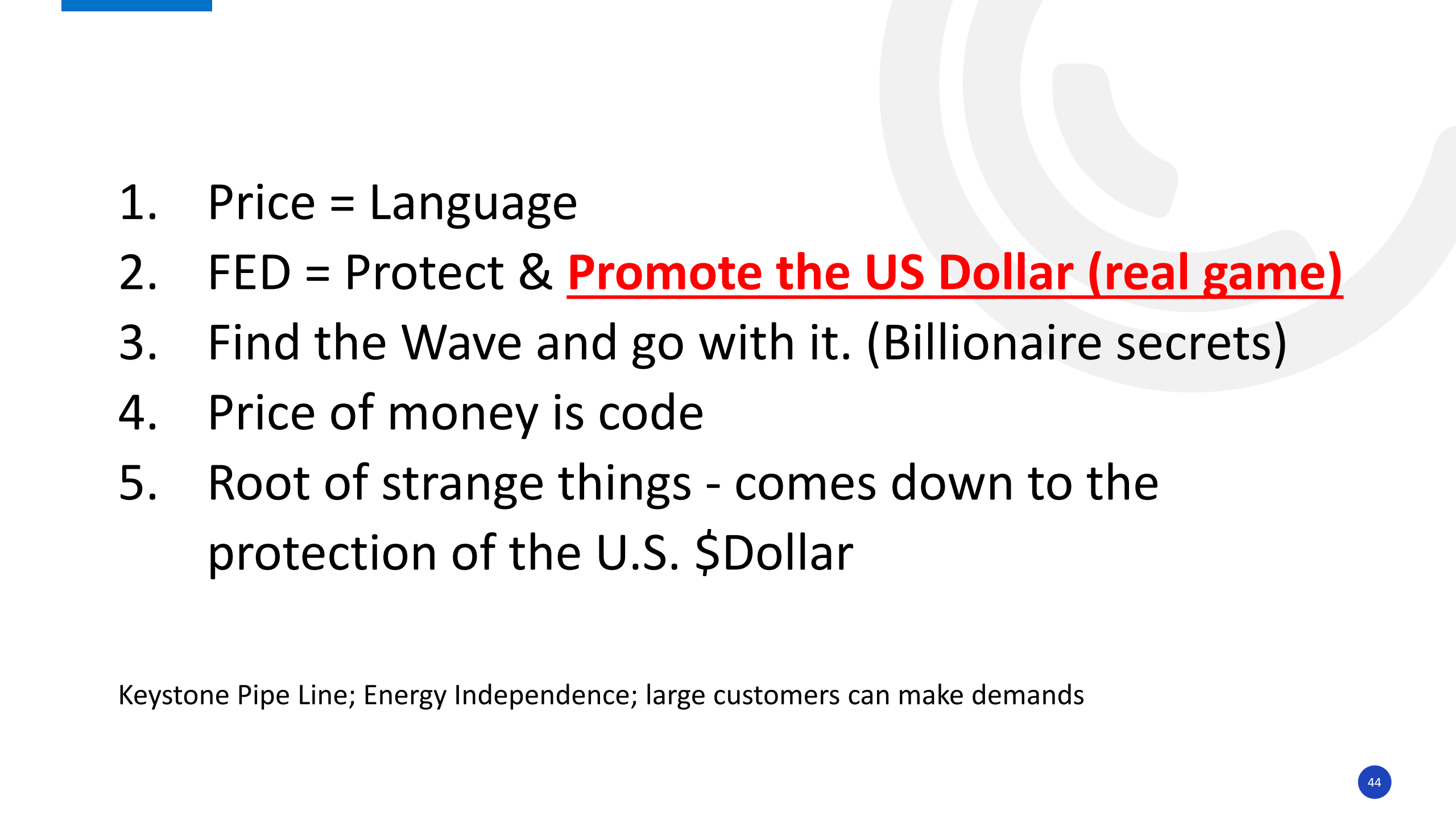


PRESIDENT BIDEN TRAVELS TO SAUDI ARABIA



FOUR PHASE CONVERSION TO THE U.S. DIGITAL DOLLAR

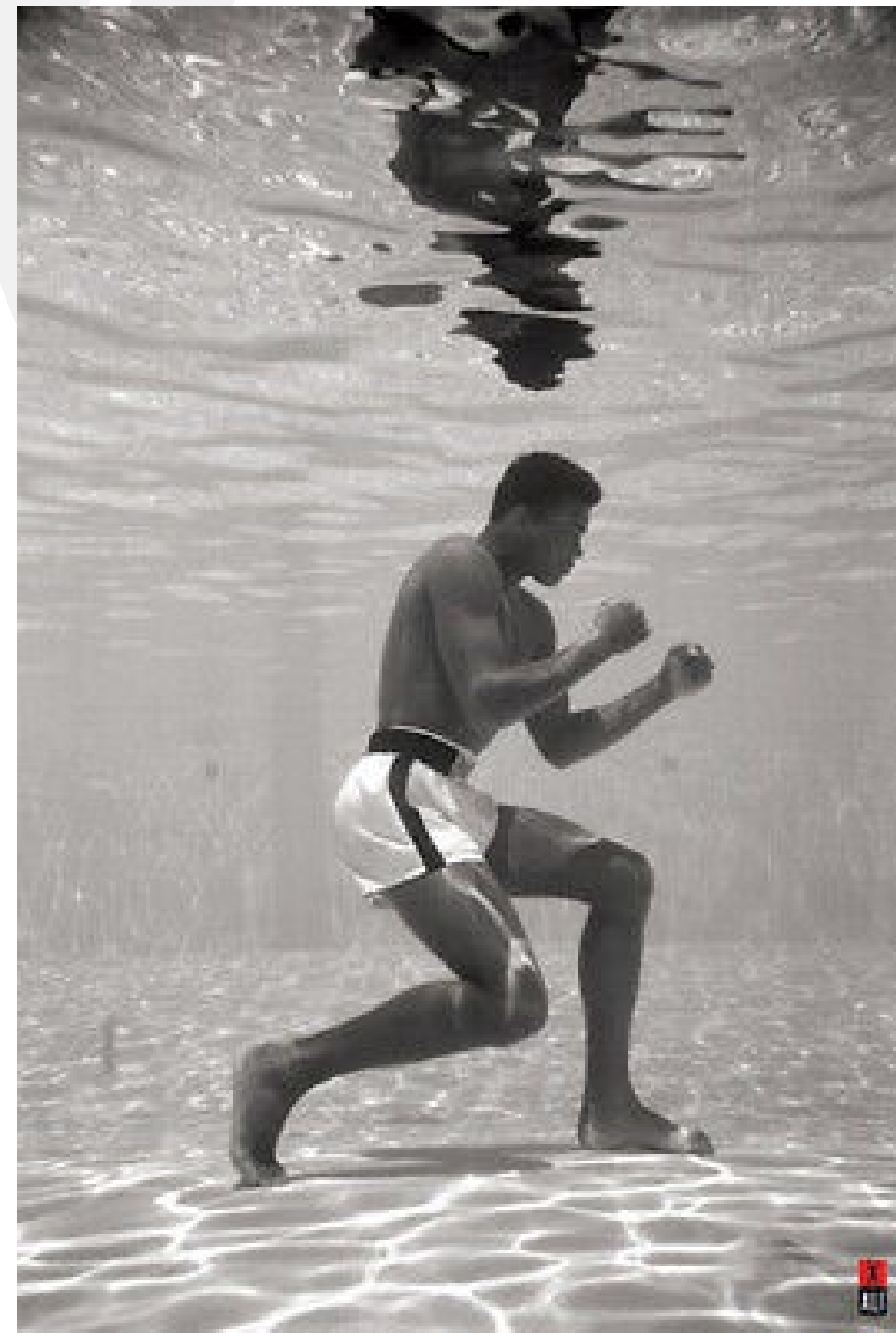
- 1. Cash or U.S. Digital Dollar = you choose
- 2. Crisis, USA is going broke, if we could just collect the taxes owed
- 3. Media blitz: people who use cash are enabling tax dodgers.
- 4. To make America the strongest country, Jan 1, 2033 all transactions must be in U.S. Digital Dollars (no gold, no bitcoin, no silver)

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1. Price = Language
 2. FED = Protect & Promote the US Dollar (real game)
 3. Find the Wave and go with it. (Billionaire secrets)
 4. Price of money is code
 5. Root of strange things - comes down to the protection of the U.S. \$Dollar

Keystone Pipe Line; Energy Independence; large customers can make demands

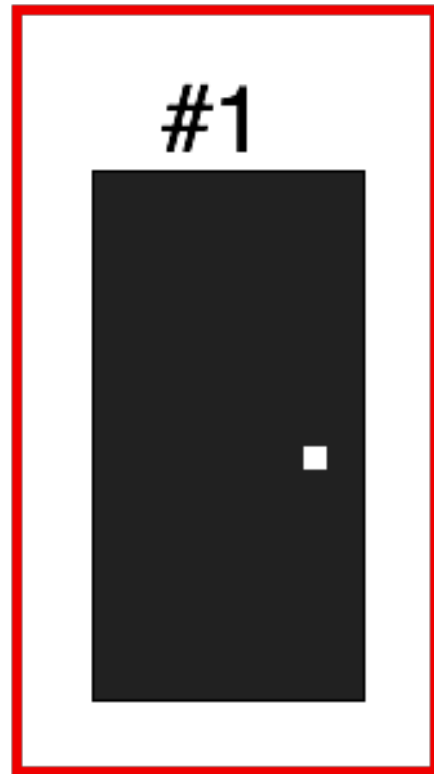
MUHAMMAD ALI

“A man who views the world the same at 50 as he did at 20 -- has wasted 30 years of his life”

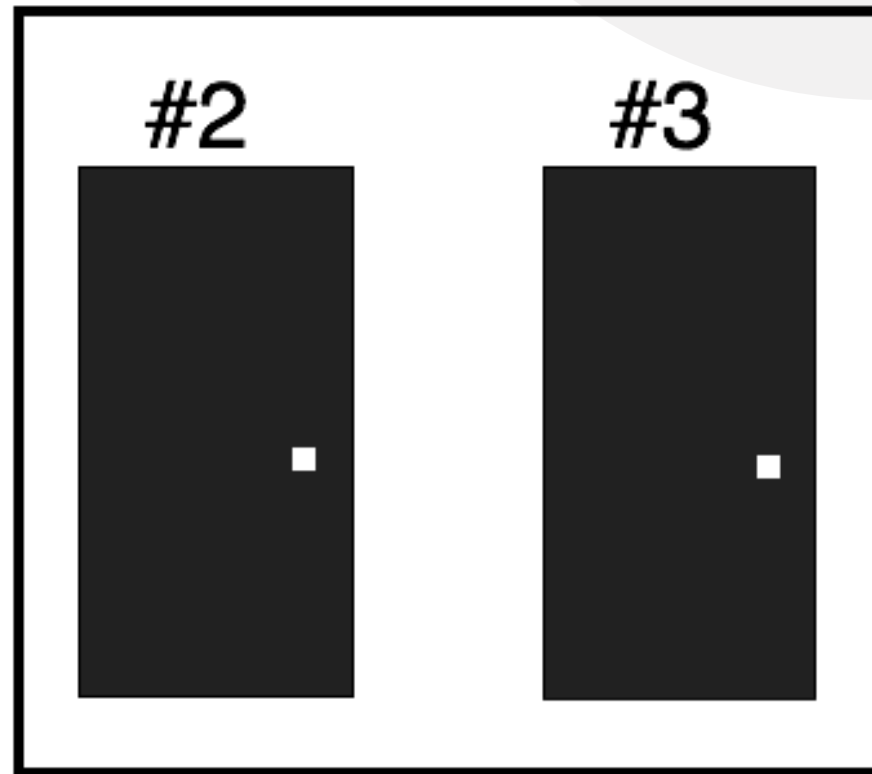


INCREASE YOUR CHANCES BY UNDERSTANDING
THE REAL GAME YOU ARE PLAYING

33.3%



66.6%



1. Stay Healthy
2. Wake up every day and just try
3. Eventually you will succeed in the U.S.A

This academic, just like $1 + 2 = 3$

John S. Pennington Jr.



1 YEAR vs 10 YEARS

“ Most people **overestimate** what they can accomplish in one year and most people **underestimate** what they can accomplish in ten years. ”

– Bill Gates, Co-Founder Microsoft

START : 1989
SELL USED BLUE JEANS



FINISH : 2021
**\$28 BILLION ASSETS UNDER
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Books:

1. Outliers – Malcolm Gladwell
2. Reminiscences of a Stock Operator – Edwin Lefevre
3. The Triple Package – Chua & Rubenfeld
4. Guns Germs and Steel – Jared Diamond

You Tube:

1. The Maverick of Wall Street

Pod casts:

1. Jason Hartman
2. Stuff You Should Know



John S. Pennington



Thanks for attending

October 2022

John S. Pennington Jr.