

Nevada cannabis, e-sports, mining industries primed for blockchain success

Rob Sabo
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Tyson Falk, policy analyst with McDonald Carano's government affairs group, speaks June 7 about the many ways Nevada is well-positioned to become a ma...

RENO, Nev. — From marijuana dispensaries to logistics and e-fulfillment centers, blockchain technology has the potential to revolutionize the way many Northern Nevada companies do business.

And Nevada is well-positioned to become a major player in widespread adoption of blockchain technology across key industry segments.

Blockchain, or distributed ledger technology, along with cryptocurrencies were the focus of a breakfast panel on June 7 at the Atlantis Casino Resort Spa. Industry experts included:

- **Allison Clift-Jennings**, founder of Reno-based technology firm Filament
- **Tyson Cross**, founder of Cross Law in Reno and an expert on cryptocurrency taxation laws
- **Jake Warner**, software developer and founder of Petrichor Inc. and Cycle.io
- **Tyson Falk**, attorney with McDonald Carano's government affairs group
- **Ethan Clift**, principal of Clift & Co., who served as moderator

Blockchain may sound like mumbo-jumbo to technology noobs, and although it is rather complex, explaining it is actually fairly simple.

In older days, businesses kept records in a ledger book. Record-keeping shifted to electronic data with the advent of computers. With a blockchain, a series of computers (the chain) track any given piece of data (the block).

Since multiple computers record transactions (a distributed ledger), data is much more secure since each computer in the chain would have to be altered in order to make changes to the electronic ledger.

Blockchain is the underlying technology that powers cryptocurrencies such as Bitcoin, Ethereum, Ripple and countless others. But it could be used in many of Northern Nevada's historic and newer industry segments.

Nevada's nascent marijuana industry is a prime example of the transformative power of blockchain technology. Due to federal laws regarding cannabis, the marijuana industry in the Silver State is a 100 percent cash business – no credit or debit cards are accepted at dispensaries. That generates a tremendous amount of cash heading out the back door of these establishments on a regular basis.

While dispensaries can't accept cash, in time they may accept something like a Mota Coin, a dollar-for-dollar Ethereum "token" redeemable at marijuana dispensaries to eliminate the cash requirement.

Instead of paying in greenbacks, customers could use their bank cards to buy digital Mota coins, which could be redeemed at dispensaries, who in turn could redeem the tokens at financial institutions without ever handling any paper money.

"People are using blockchain to solve a lot of the wrong issues (in business)," says Cycle.io's Warner. "It's all about building trust. In the cannabis space, that is where it is really valuable with Mota Coins. The idea is say someone wants to buy \$100 of Mota. A credit card is already assigned to their account, and they are issued \$100 of Mota tokens. They can go to the dispensary and spend that at the cash register."

Another new industry that could potentially benefit from the advent of blockchain is betting on e-sports teams and players, a segment of the sports betting industry that's poised to take off.

Other real-world applications of the technology include voting for military members based overseas, verification of a driver's license through smartphones, or sale of energy generated from homes equipped with solar rooftops.

Among the many existing industries in Northern Nevada that could benefit from blockchain include its many internet fulfillment centers and logistics companies, since blockchain could

be used to greatly increase and speed up the management and tracking of packages and goods between vendors, suppliers and end-of-line delivery companies.

It also could be used widely across the mining sector to better track the flow of ore and gold, as well as in agriculture to track produce back to its original source and harvest date.

And Nevada is poised to be at the forefront of widespread adoption of blockchain technology for a number of reasons, says McDonald Carano's Falk. Among the many benefits of building blockchain-backed businesses in the Silver State include:

- Low taxes, and low cost for commercial power
- Access to existing and new data centers
- Easy connectivity and access to international markets
- Low humidity, clean air, and low risk of natural disasters
- Favorable government regulations
- Low costs for land and labor

"A couple of the low-hanging fruit industries for this technology are things that we do really well here," Falk says. "Renewable energy very soon will be using some sort of blockchain or distributed ledger technology for both carbon credits and the buying, selling and trading of energy from one neighbor to another.

"With gaming, all our expertise (in that sector) can be outsourced, and we can headquarter a lot of (companies) here. We also have a lot of logistics and fulfillment companies here – blockchain is very conducive to those industries."