

From The Offices of
DANIEL MARK HARRISON

Thursday, May 13, 2021

Dear Mr. Musk,

I first wrote to you along with a co-developer of mine called Thomas Loth in 2018 suggesting that Tesla adopt cryptocurrencies as a mechanism of payment and value storage pointing out the positive effects doing such would have on the company's balance sheet. I am delighted to see that since then, Tesla has adopted the recommendations Thomas and I proposed and congratulate you for once again, being an example of the sort of leadership we need more of desperately as we attempt to break the mold of a 2000-year-old financial system that, if not updated, threatens to create a period of de-evolution we haven't seen in a millennium.

I am the co-founder of Zurcoin, a Proof-of-Work blockchain created on Dec 31, 2013. For three years, I have led the development effort of Zurcoin that has resulted in a variety of Blockchain innovations of some significance, including the creation of the world's first Non-Fungible Token (NFT) and Decentralized Finance (DeFi) applications (the subject of which I wrote to you concerning in 2018 with Thomas).

I am writing to you again because I noticed that today Tesla stopped accepting Bitcoin as a form of payment for Tesla cars as a result of concerns over the Bitcoin Blockchain's gargantuan energy consumption. The reason for Bitcoin's "dirty" blockchain protocol is predominantly a result of the protocol itself being an algorithm that resolves hashes (equations), which in and of itself is a highly energy-intensive process. Since Bitcoin, a number of protocols have been developed with some promise. Those at the top of most people's lists include Scrypt, an alternative uni-algorithm protocol, and the software mining alternative Proof-of-Stake. In addition, of course, CPU mining is an alternative to these as a potentially cleaner form of Blockchain mining.

First, I will deal with all these three, and then, I will outline the case for what I consider to be a far superior PoW protocol called Zurcoin. With respect to Scrypt, there is no tangible improvement manifest over SHA-256 in terms of actual clean energy consumption saving, since the single-algorithm status of the Blockchain method of mining negates the superficial power savings that are resultant in the Blockchain's mining method in actuality. In other words, you still end up with a ton of energy being poured into mining exponentially as more users mine the chain. This is the case with DOGE which is on the Scrypt algorithm. With respect to Proof-of-Stake, this is largely a failed experiment in economics. Quite simply, the time period it takes for coins to be mined at such a rate of acceleration as is commonly incurred in PoS algorithms makes it at best an unfeasible and unreliable store of value mechanism for a public company such as Tesla to seriously adopt. CPU mining, while distributive, is ultimately second-rate and far too insecure for a public company to adopt.

By far the most superior technological advancement in Blockchain mining technology to date is the Quark algorithm. Unfortunately, the algorithm got off to a bad start with the coin Quark being oversold the same year that it was created as a result of some controversy involving one of the algorithm's founders. That same year, in 2013, a developer known as Shai came up with a far

From The Offices of
DANIEL MARK HARRISON

superior use for the Quark algorithm than Quark itself, however. Shai's simple but genius insight was to put the Bitcoin codebase on top of the Quark algorithm, and in effect, create the securest, cleanest, fastest form of Bitcoin in the world. Quark is a superior algorithm to most others for the reason that it is not in and of itself an algorithm but rather, a spread of six different algorithms solving 9 hashes (vs. Bitcoin's 6 hashes). This innovation upgrade, when combined with the Bitcoin codebase, makes the one cryptocurrency in the world – and certainly the first in the world – to adopt this hybrid Bitcoin-Quark fork the securest cryptocurrency in existence at the same time as one that holds the most potential for long-term value storage of any cryptocurrency. Further, relative to the value storage potential of the Zurcoin Blockchain, there is no other in the world that is as environmentally-friendly in operation, and certainly not with the enormously decentralized potential that an 8 year-old (the world's 67th) Blockchain possesses necessarily by configuration of time value.

I will wrap this up with the pitch that I am writing this for the purpose of making. For Tesla, there is no cryptocurrency on the planet (or in Space) that is a more efficient store of value, a more environmentally-friendly method of highly-technologically-efficient hardware mining, and a Blockchain that is made with more love, more integrity and more meaning than is Zurcoin Blockchain for the purpose of Tesla accepting as a method of payment for its wonderful, beautiful, revolutionary automobiles. Please go to the Zurcoin website at www.zurcoin.com and take a look for yourself. If you think that Zurcoin may be right for Tesla, then we would be honored if you would choose a logo for the Blockchain, and further, we will commit to mining a six-figure dollar sum of money per year exclusively for your great company.

Let me finish by saying that as a member of the cryptocurrency community almost since inception, it is an honor to have an entrepreneur with your vision, brains and balls come into this industry and be willing to stand up for the first significant financial markets innovation to take place since the reign of Caesar Augustus.

Sincerely Yours,



DANIEL MARK HARRISON