Securing Your Cryptocurrency vs.1.0

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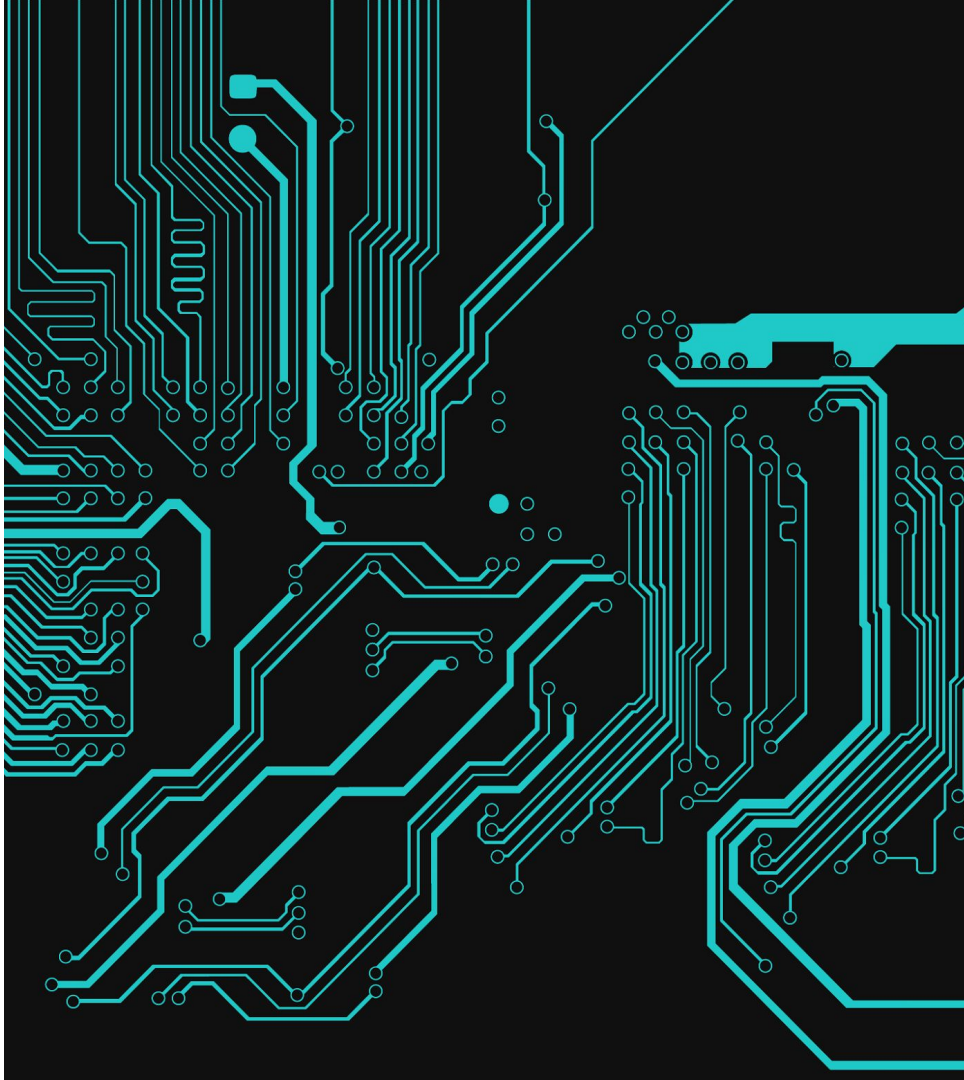
Thanks to all the members that contributed over the last few months. This is an attempt to summarize the thoughts they shared in the room.



Intro

Disclaimer

Cryptocurrencies are particularly volatile assets. Nothing in this document is meant to suggest that trading cryptos is a good decision for you personally.

Cryptocurrency is a new, unregulated or less regulated market which contains risks unique to any other assets.

Any mention of past results is wholly unrelated to future performance.

Nothing in this document should be construed as an endorsement of a product, service, exchange, or any other entity mentioned here within.

Need For Security

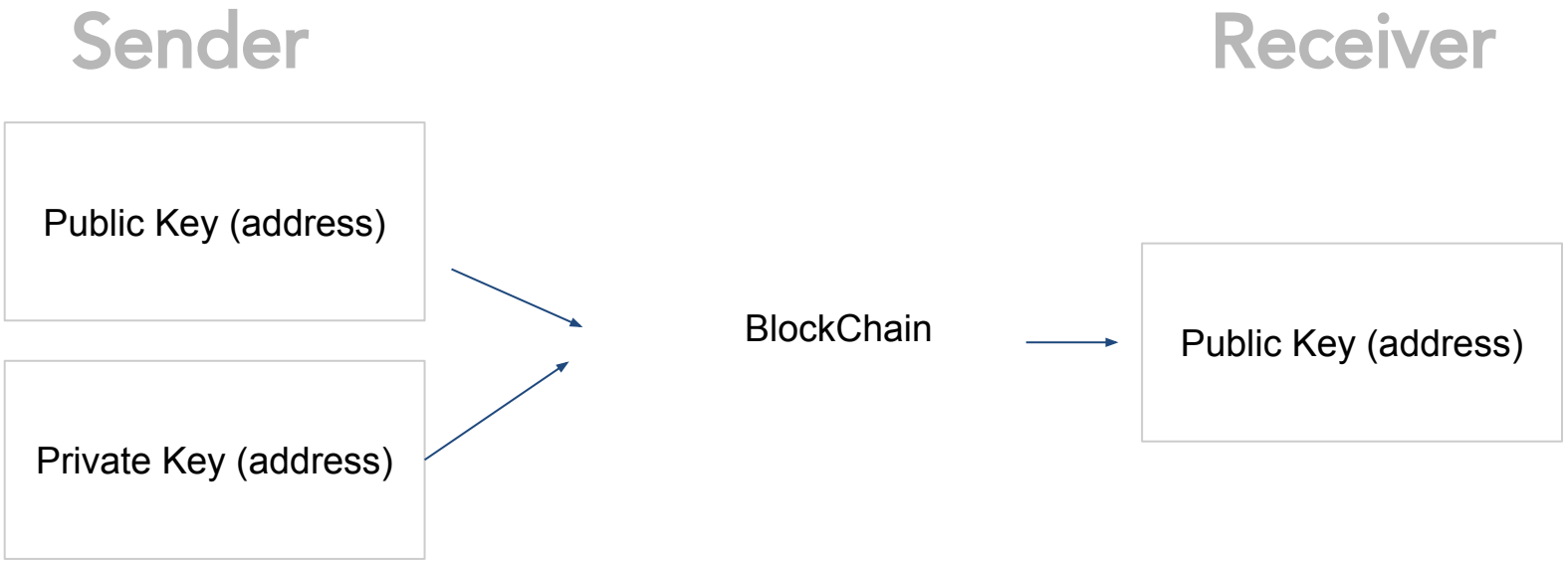
There are no intermediaries between transactors on the blockchain. Blockchain transactions are unidirectional and immutable. They cannot be canceled. Only a mirror image transaction can return funds to a sender.

The benefit is decentralization and the borderless nature of cryptocurrencies.

However, this also puts the weight of security on the user and on companies that hold cryptocurrency in custody (eg. exchanges).

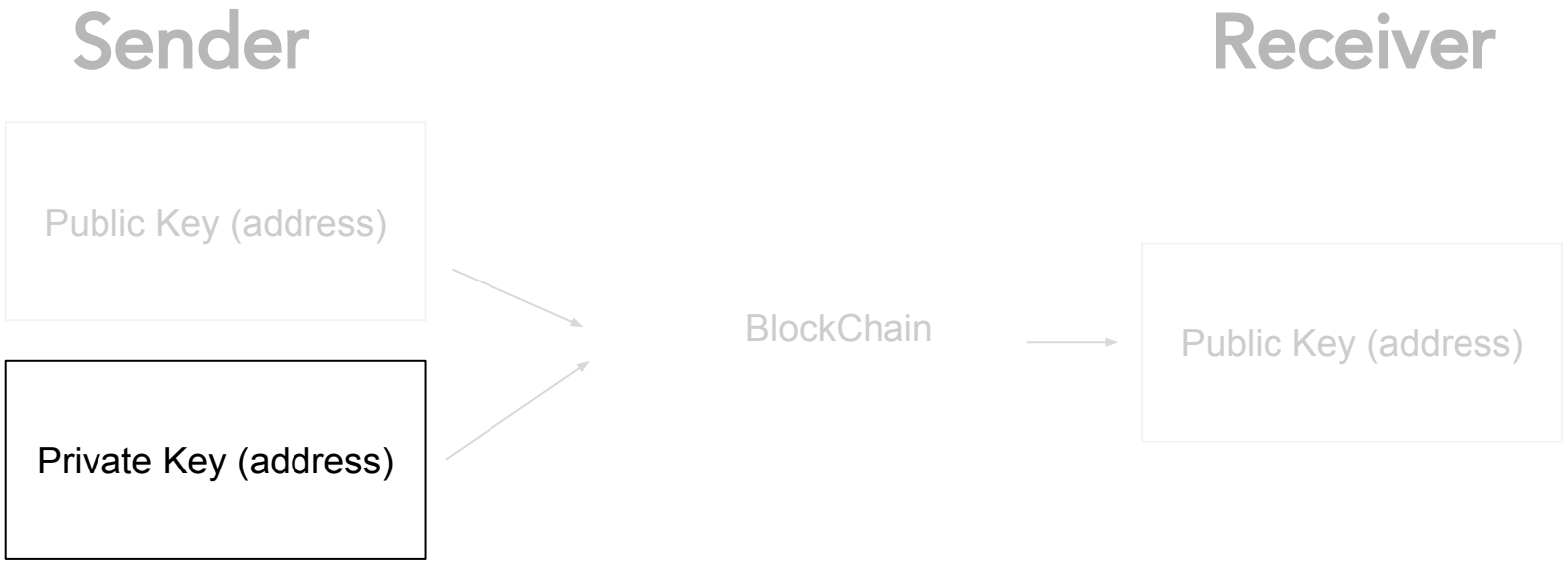
Whenever a user is the source of compromise in an attack they will most assuredly lose funds. This means cryptocurrency traders need to double down on security, so they are not the source of compromise.

Simplified View of a Blockchain Transaction



Private Keys

Private keys are what give the owner control of funds and therefore must be kept secret. Companies that hold private keys in custody, give the rights to their users through their user credentials and hold the private key.



Common Vectors of User Attack

1. Phishing- Users credentials, including 2FA are stolen by a fake site, either on Google or sent via email. Credentials are entered into the real site after entered into a fake site by the user, and 2FA if used is taken down.

2. Key logging Viruses, track credentials when the user logs in and compromises the account. This includes 2FA which is taken down immediately

3. Copy and paste viruses hijack the paste function causing the user to enter an attacker's address when sending funds.

4. Be careful in participating in ICOs. Verify they are legitimate. Some ICO sites have bene hacked and the address replaced by an attackers'.

Basic Level of Security

1. Stay Clean and free of viruses. Use a reputable antivirus software, and avoid sites that may compromise your computer.
2. Always use Two factor Authentication for all accounts. For more information see slide 10 for links.
3. Once you've established an account bookmark it so you are not Googling the site.
4. Don't get phished- Never click a link and login from an email.
5. Use unique emails for every cryptocurrency exchange
6. Don't mix your everyday email, particularly on your phone with crypto trading.
7. Double check each time you copy and paste an address, at least the first and last 4 numbers.
8. Backup all private keys and 2FA keys given at the time of setup to another location (eg. thumbdrive in a safe or paper copies)

Advanced Level of Security

1. Use a separate machine for trading that only visits crypto exchanges and install no software- Chromebook or Virtual Machines (Linux or Bootcamp for example) are useful. Airlocks your trading from the rest of your computing life.

2. Split all private keys in two, encrypt and put on separate cloud storage services with separate passwords.

3. Take all coins off exchange that you don't plan to trade with in the short term.

   Wallets apps on your computer are a fine choice, but back up the private keys and double check reviews to make sure they do not contain viruses.

4. Use a physical authentication device for email like Yubikey.

5. Keep as many coins as possible in a hardware wallet. Backup the restoration phrase offsite.

6. Use Lastpass for generating passwords.

Helpful Links

Hardware Wallets:

Trezor: https://trezor.io/
Ledger:https://www.ledgerwallet.com/

Yubikey (physical authentication):https://www.yubico.com

2FA:

Google Authenticator
Authy

Helpful Articles:

https://goo.gl/QyPSjT

https://goo.gl/fpPMoj

Helpful Posts on EWT

https://www.elliottwavetrader.net/members/atchat/?threadId=4351314

Thank you!

If questions, please post on Elliottwavetrader.net in the crypto room