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**PROGRAM MATERIALS**  
**Program #3110**  
**February 18, 2021**

**Everything You Wanted to Know  
About Blockchain  
But Didn't Know to Ask**

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- **Valerie Pennacchio, Esq. - Litera Transact**
- **Teresa Walker, Esq. - Waller Lansden Dortch & Davis, LLP**

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## MODERATOR



Dr. Sharon Meit Abrahams  
sharon@legaltalentadvisors.com

Dr. Sharon Meit Abrahams is a legal talent development expert with over 25 years of experience in success coaching for attorneys and executing high impact programs for law firms. She has created and implemented firm wide initiatives that help attorneys maximize their productivity while maintaining engagement. When individuals produce, a firm increases its profitability. As a talent development leader, she has handled every aspect of an attorney's firm life from onboarding and integration, through mentoring and training to succession planning and exit interviews.

Dr. Abrahams has published three books with the American Bar Association and regularly publishes articles for Thomson Reuters and American Legal Media. Known for engaging and educational programs, Dr. Abrahams is a sought-after keynote speaker, program facilitator and law firm advisor.

Bringing CLE topics to law firms, legal associations and law firm networks is a labor of love. Reach out to see what Legal Talent Advisors can do for you.

## SPEAKERS



Valerie Pennacchio  
valerie.pennacchio@gmail.com

After a decade of legal practice at two AmLaw200 firms, Valerie Pennacchio recently joined Litera as a Transaction Advisor. In this role, Ms. Pennacchio partners with law firms and legal departments to demonstrate the full value of Litera's transaction management software, Litera Transact. Ms. Pennacchio supports dealmakers and their legal teams in simplifying workflows across many different deal types with a secure and collaborative workspace. Ms. Pennacchio is also a frequent commentator on the intersection of technology and the law.

Ms. Pennacchio was recognized as a NJBIZ Leader in Law for spearheading an InsurTech practice group that provided counsel to insurance companies and start-ups on the integration of emerging technologies, including blockchain, into their business operations. Ms. Pennacchio is particularly knowledgeable of domestic and international cybersecurity and privacy laws and is a Certified Information Privacy Professional (US) through the International Association of Privacy Professionals.

Ms. Pennacchio is a member of the New Jersey Blockchain Task Force, appointed to study the use of blockchain technology by state and local governments. She can be reached at vpennacchio@litera.com and her musings can be found on Twitter @ValPennacchio.



Teresa Walker

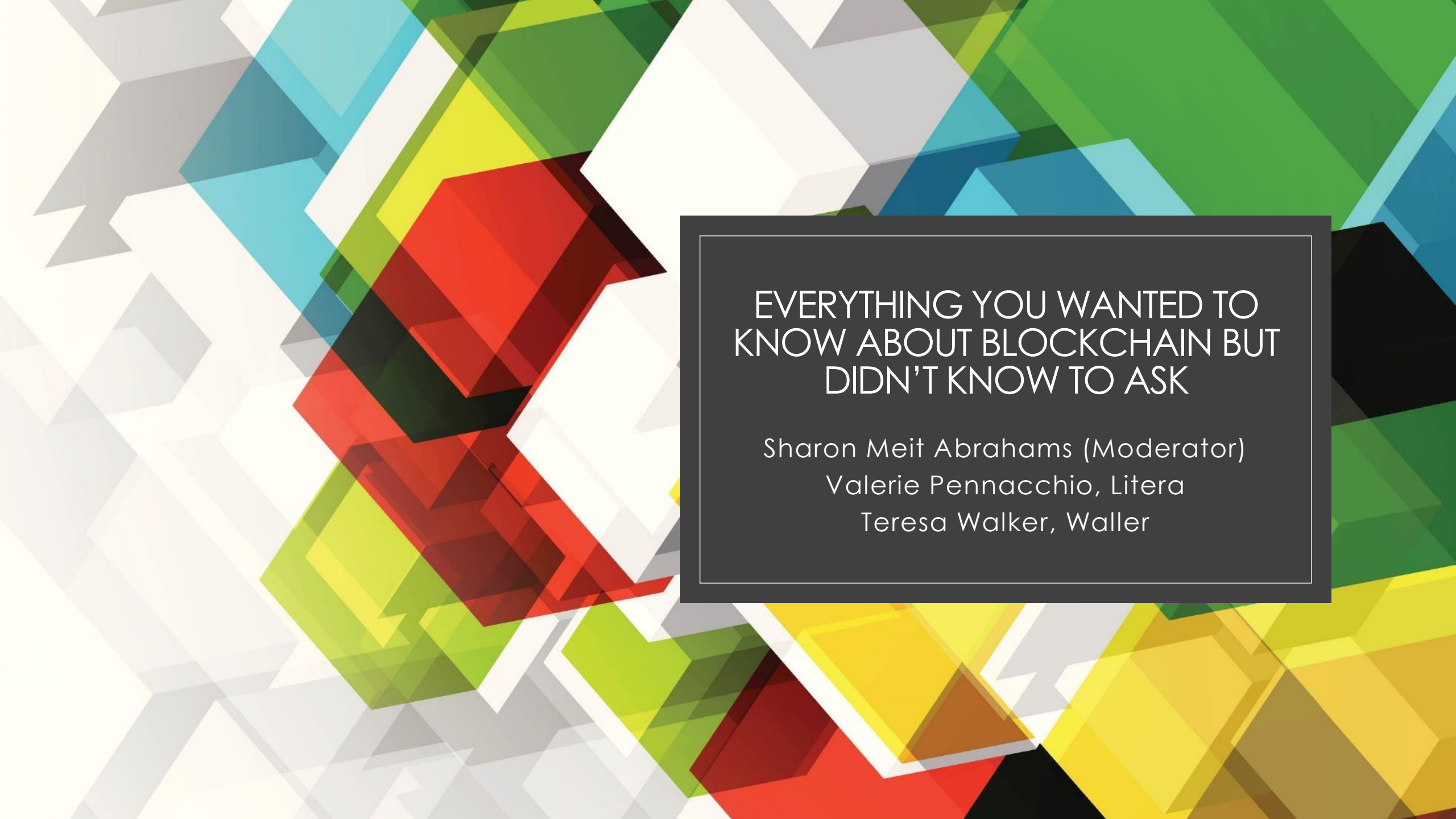
[teresa.walker@wallerlaw.com](mailto:teresa.walker@wallerlaw.com)

Teresa Walker joined Waller Lansden in 1977 fresh out of college with no clue where this opportunity would lead her. She has helped grow Waller from 16 attorneys to more than 225 with 5 offices in 3 states.

She has opened and closed locations; upgraded accounting systems numerous times; handled endless HR issues; negotiated leases for and built out almost 200,000 square feet of office space in various locations; she has been involved in every aspect of the firm's technology for years; worked with the Board and has been involved in virtually every aspect of our Board's operation for almost 40 years; worked with compensation systems at all levels; partnered with nine managing partners to keep Waller vibrant helping develop and implement strategic plans. Teresa understands the value of servant leadership.

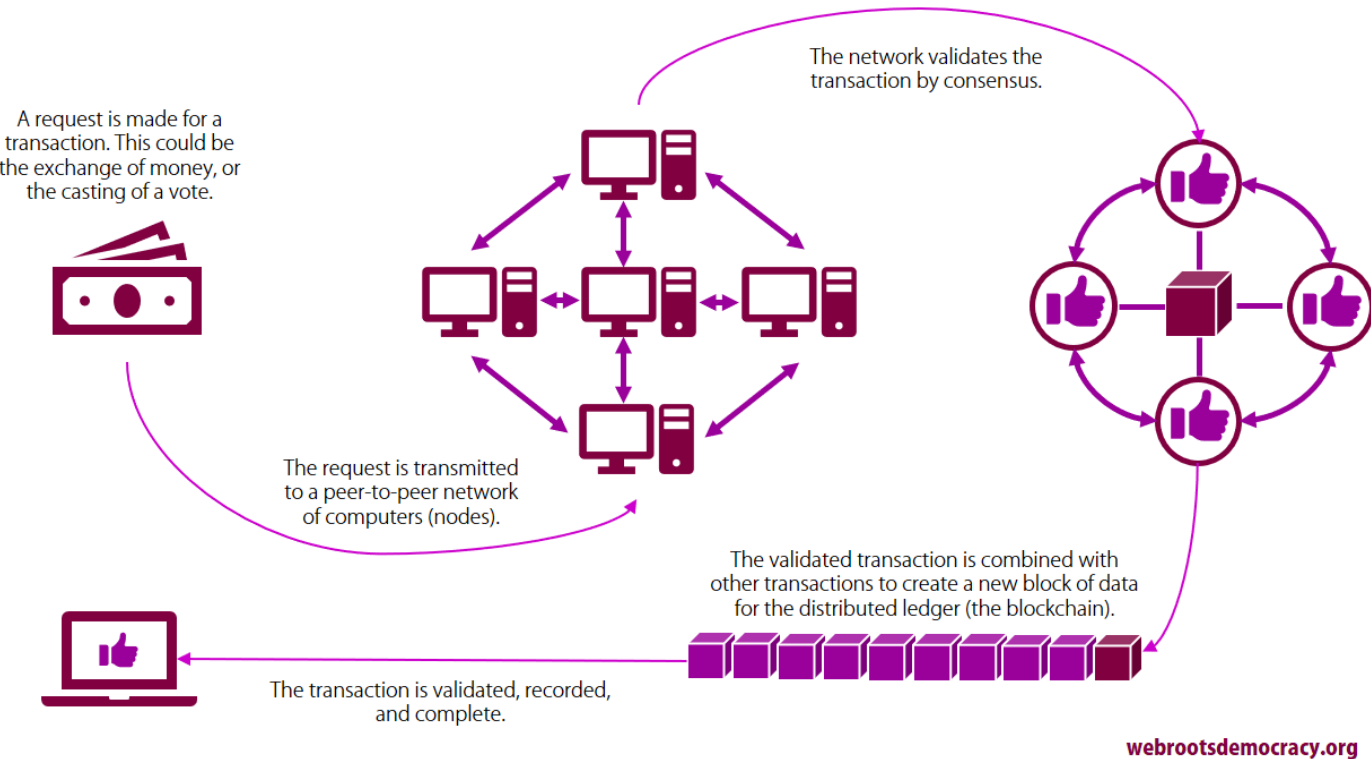
Teresa served as President of the Association of Legal Administrators (2015-2016) and served on the Executive Committee of its Board of Directors. She assumed the Past President role in May, 2016. She belongs to the Large Firm Administrators Caucus and the International Relations Committee of the Association. She has served as a member of the Large Firm Administrators Steering and Education Committees and as a Trustee of The Foundation of the Association of Legal Administrators. Additionally, Teresa is a Founding Member of the Middle Tennessee Association of Legal Administrators. Teresa also currently serves on the LogicForce Advisory Board and is a co-founder of the Juris Users Group.

Teresa was inducted into the College of Law Practice Management at its 2014 Futures Conference, a career highlight. She has an Associate's Degree in Legal Secretarial Administration from Nashville Community College. She is a Southern Gospel music piano player, singer and songwriter heading up a quartet that performs regularly, which she has been doing since high school.



EVERYTHING YOU WANTED TO  
KNOW ABOUT BLOCKCHAIN BUT  
DIDN'T KNOW TO ASK

Sharon Meit Abrahams (Moderator)  
Valerie Pennacchio, Litera  
Teresa Walker, Waller



# Blockchain

In short, a blockchain is a digital record of transactions that is:

- ❑ **DECENTRALIZED**
- ❑ **TRANSPARENT;** and
- ❑ **IMMUTABLE**

# What is Blockchain?

- **A/K/A Distributed Ledger Technology –**
- **Electronic Ledger shared among users via the Internet (peer-to-peer network)**
- **Creates unchangeable records of transactions (blocks)**
  - **Blocks created/owned by a specific user**
- **Timestamps each**
- **Links each block to the prior one**

# What is Blockchain?

## **Distributed Ledger Technology –**

- **Only updated by consensus among users**
- **Contains a true/verifiable record of each transaction**
- **Write-once, append-many electronic ledger (a chain of blocks)**

# Types of Blockchains

**Public**- Anyone can access (i.e. Bitcoin & Ethereum)

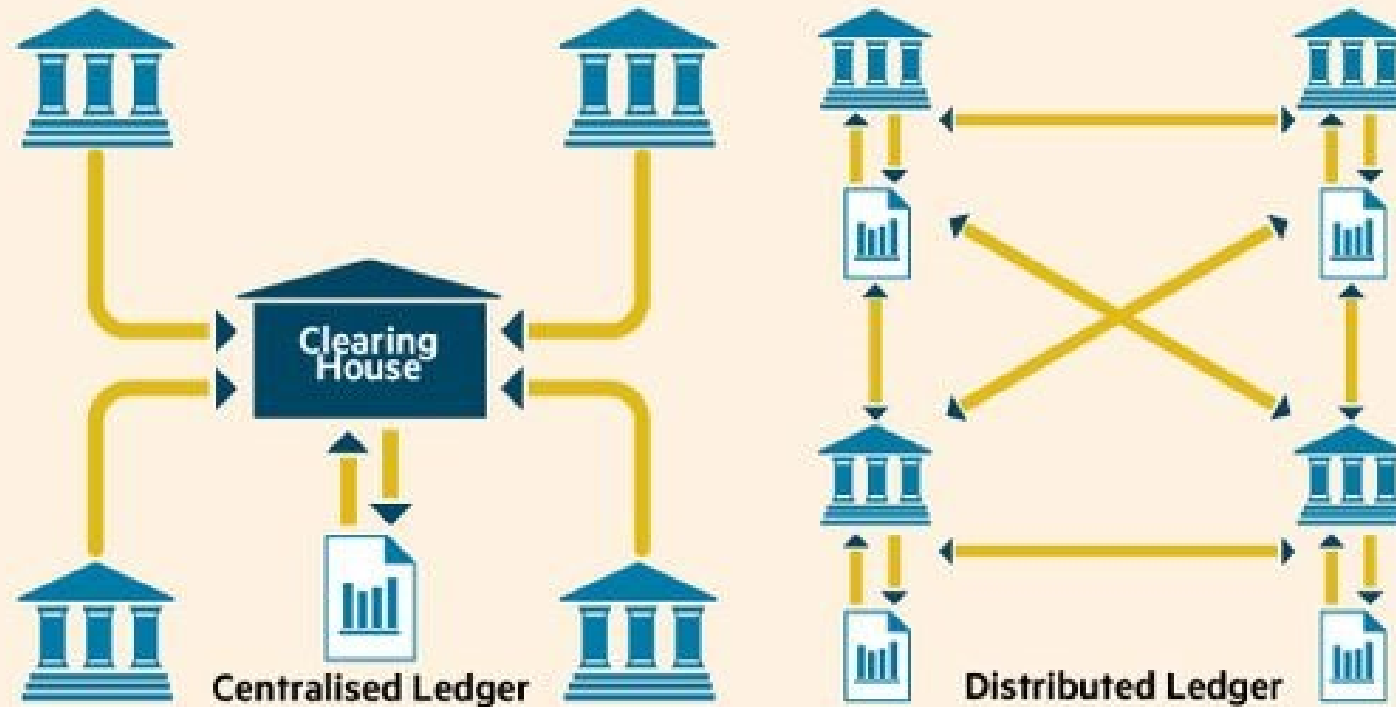
**Private or Permissioned**- Limits who has permission to participate in the network (i.e. IBM & Nasdaq Linq)

**Public-Private Hybrid or Consortium**- Invitation Only; equitable voting rights and decisions by consensus (i.e. Corda & Hyperledger)



## Embedding distributed ledger technology

A distributed ledger is a network that records ownership through a shared registry



In contrast to today's networks, distributed ledgers eliminate the need for central authorities to certify ownership and clear transactions. They can be open, verifying anonymous actors in the network, or they can be closed and require actors in the network to be already identified. The best known existing use for the distributed ledger is the cryptocurrency Bitcoin

# **Blockchain: A History Lesson**

**2008 – “Bitcoin: A Peer-to-Peer Electronic Cash System”**

**Satoshi Nakamoto whitepaper**

**The underlying technology used was Bitcoin Blockchain**

**2013 – Blockchain starts to separate from Bitcoin; Ethereum Project proposed**

**2015 – R3 is founded by a consortium of financial institutions including Barclays, Credit Suisse, Goldman Sachs, JP Morgan and RBS**

# **Blockchain: A History Lesson**

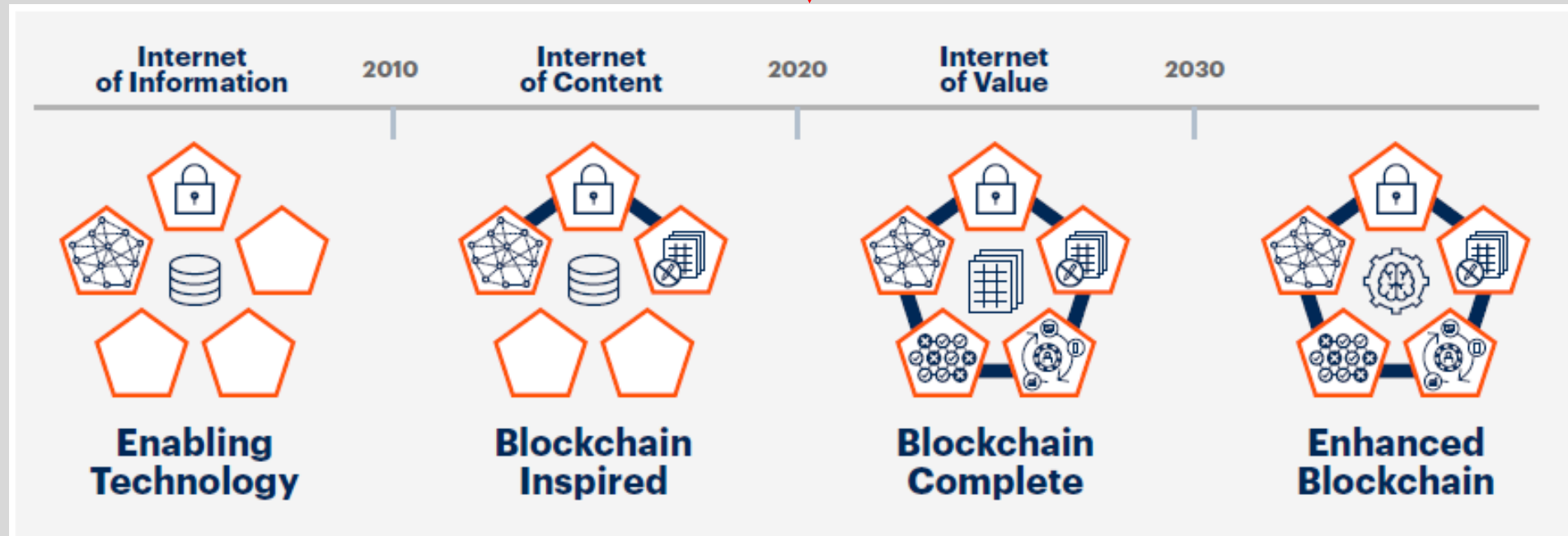
**2016 – The DAO (Decentralised Autonomous Organisation) sets a crowdfunding record by raising more than \$150M investment**

**2017 – Seven major European banks announce Digital Trade Chain, a partnership to offer a trade finance platform via blockchain**

**2018 – Switzerland to begin accepting tax payments in Bitcoin**

**2021 – Bitcoin reaches all time high above \$40,000**

# Evolutionary Path

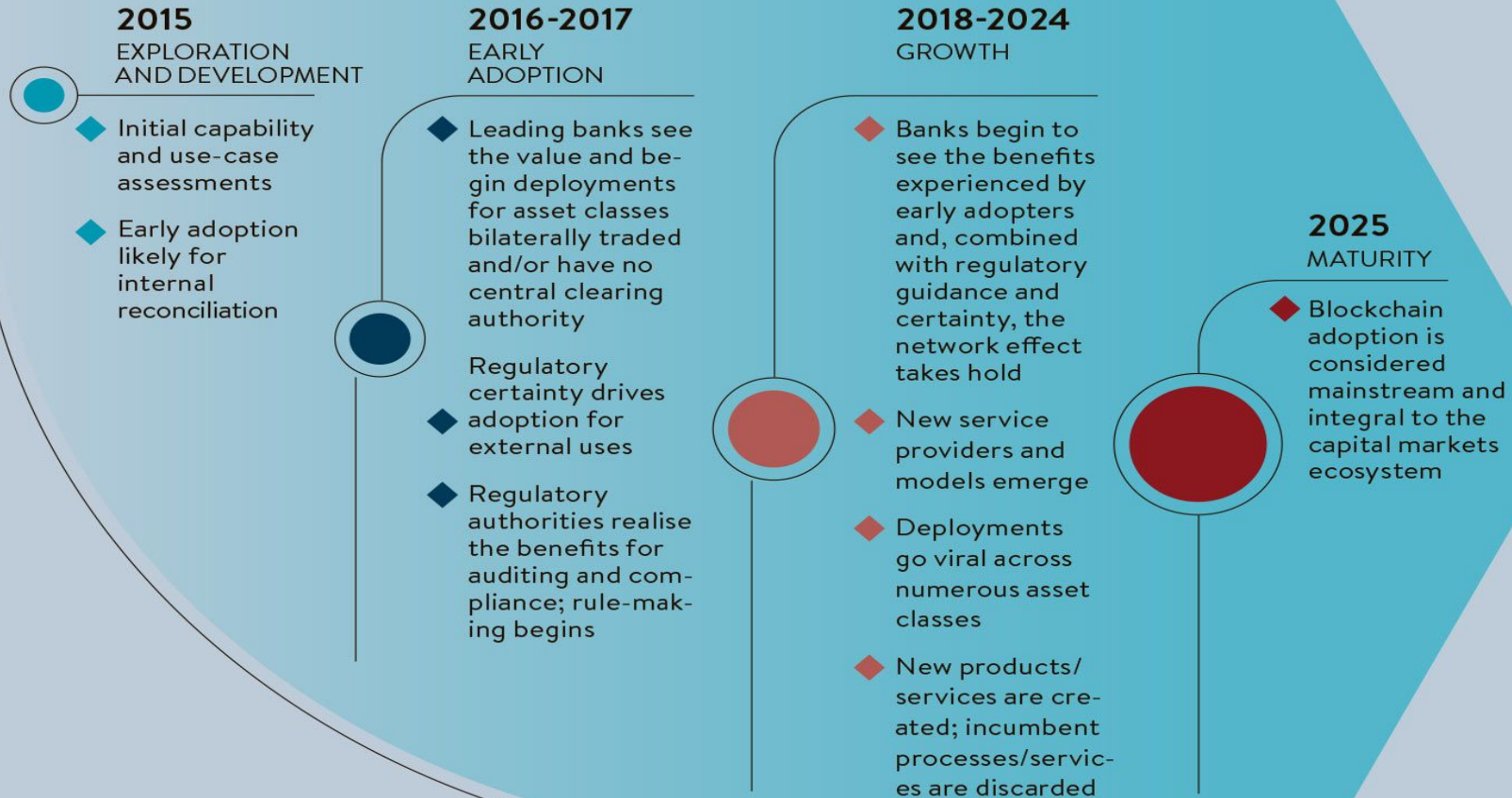


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(c) 2019

Source: Gartner

## WHAT BLOCKCHAIN ADOPTION COULD LOOK LIKE



Source: Accenture

# What is Blockchain?

- Technical** Back-end digital log that maintains a distributed ledger, openly
- Business** Exchange network for moving value between peers
- Legal** A transaction validation mechanism, not requiring intermediary assistance

# Blockchain: Example Use Cases

**Assets**

**Real Estate Titles, Tokens, Diamonds**

**Trust**

**Validated Transactions/Information**

**Ownership**

**Intellectual Property**

**Money**

**Cryptocurrency**

**Identity**

**Validating Credentials**

**Contracts**

**Smart Contracts**

# Smart Contracts – A Closer Look

**What is it?** – A smart contract is a self-executing contract with the terms of the agreement between the parties being directly written into lines of code. The code and the agreements contained therein exist across a blockchain network. The code controls the execution, and transactions are trackable and irreversible.

## **Example – Flight Delay Insurance**

If a policyholder experiences a delay of a certain number of hours, as reported by the airport, the smart contract automatically triggers the mechanism for paying the insured without the need for submission of a claim





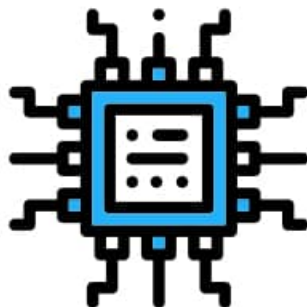
# Blockgeeks

1



Smart Contracts are **written as code** and committed to the blockchain. The code and conditions in the contract are **publicly available** on the ledger.

2



When an event outlined in the contract is triggered, like an expiration date or an asset's target price is reached-- the **code executes**.

3



Regulators can watch contract activity on the blockchain to **understand the market** while still **maintaining the privacy** of individual actors.

**Entertainment**  
**Socializing**  
**Retail**  
**Exotic Cars**  
**Supply Chain**

KickCity, B2Expand, Spotify, Guts

Matchpool

Warranteer, Blockpoint, Loyyal

Bitcar

IBM Blockchain, Food Industry, Provenance,  
Blockverify, OriginTrail, DeBeers, Fura Gems

Accenture, RiskBlock from Nationwide

MedicalChain, MedRec, Nano Vision, Bramble, Gem

BitProperty, Deedcoin, Ubiquity

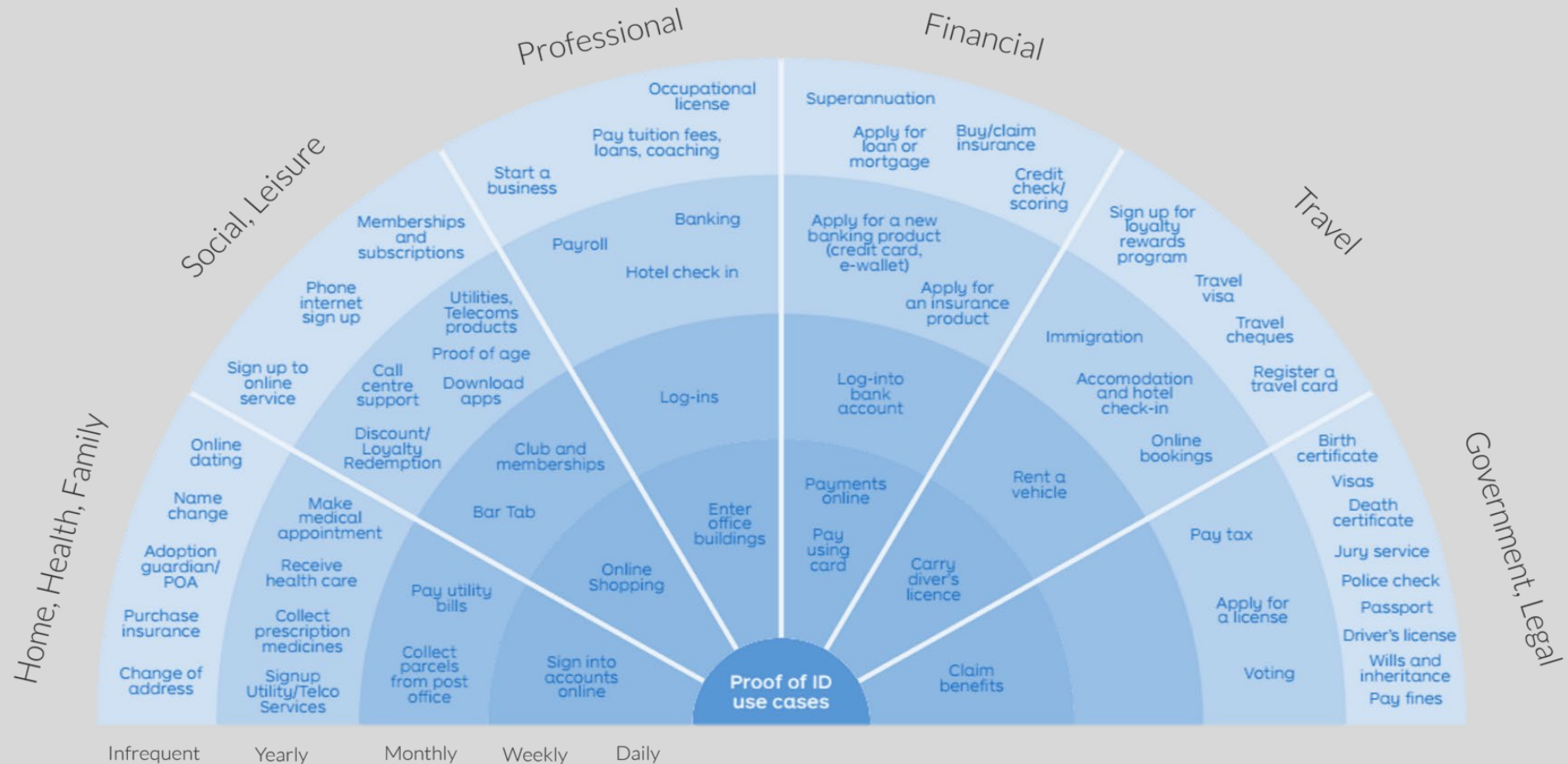
BitGive, AidCoin, Utopi

Bitcoin Atom, Securrency, Ripple, ABRA, Smart Valor

[Source: 30+ Practical Uses of Blockchain Technology You Should Know, Published May 29, 2018](#)

## **BLOCKCHAIN APPLICATIONS**

# Consumer Identity Uses



# Impact on the Practice of Law and The Business of Law



# Blockchain-Friendly Laws

Lend credibility to and support the use of the technology

Examples:

- **Delaware Blockchain Initiative** – law allows creation/maintenance of corporate records
- **West Virginia** – pilot tested election voting
- **Vermont** – law approves blockchain data as court admissible

# Blockchain-Friendly Laws

- **Illinois Blockchain Initiative** –
  - medical credentialing process project
  - blockchain in government tracker
  - birth registration pilot project
- **Ohio (Franklin County)** – Transfer of Property Deeds

System/Process/Functions	Entities Involved, Blockchain
Document Management System	NetDocs, Integra Ledger
Document Assembly	Thomson Reuters' Contract Express, Integra Ledger
Document Templates for Smart Contracts	OpenLaw, Ethereum <sup>20</sup>
Contract Management using Smart Contracts	Monax's Agreements Network
Document Execution, Existence	Basno, Blocksign
Notary Services	SilentNotary, Ethereum
Service of Process	ServeManager

# BLOCKCHAIN IN LEGAL BUSINESS OPERATIONS

# Example: Integra Ledger

- Integra Ledger is a permissioned, enterprise-level blockchain designed specifically for the legal industry.
- It integrates with existing legal software to improve data integrity, security, interoperability, and productivity.
- By securing digital trust and identity of shared data using an innovative, secure, and connected infrastructure, it helps firms and their clients to maximize interoperability and productivity.



# Blockchain for Service of Process

## *Integra Ledger & ServeManager*

How it works:

- After a process server in the field completed or attempted to complete service, she would open up the ServeManager app and enter the metadata related to that effort, such as GPS coordinates, a timestamp, or device data.
- Via API call, ServeManager would then provide that metadata to Integra Ledger. Integra would in turn post this metadata to blockchain, generating a unique blockchain ID for that attempt.
- This blockchain ID could then be added to the attempt information within ServeManager and to any physical affidavit relating to the service attempt.
- This ID could then be queried to display the untampered attempt data, allowing a client, law firm or court to confirm that the data on the affidavit or related service of process records has not been altered since entry.

# Blockchain for Document Management

## *Integra Ledger & NetDocuments*

### **Example- Drafting a Non-Disclosure Agreement**

**You have a bunch of drafts, as Word documents, and you have a final version, as a PDF file. How can the parties to the agreement make sure that they are working from the same, final document, and access that document easily in the future?**

- First, the parties negotiate the NDA.
- Second, the parties submit the executed document to blockchain. Submitting the final document, the PDF file, generates a blockchain ID associated with that document.
- If one of the parties ever wants to check that the document they have is the final version, they just access the NetDocuments platform, enter the blockchain ID for the final document, upload the document they're wondering about, and click a button.
- NetDocuments, powered by Integra, will then tell the user whether the uploaded document is the same as the document connected with the blockchain ID.
- The NetDocuments platform also allows users to compare how documents held locally on a specific computer compare to documents previously sent to the blockchain, again using the blockchain IDs for verification purposes.

# **Groups Working on Legal Industry Blockchain Opportunities**

- **Global Legal Blockchain Consortium**
- **OpenLaw**
- **Accord Project**

