This is such a good idea, by the way, this is a phenomenal idea.
This is a 10 out of 10 opportunity and dude, he pitched me to why have I not invested in this?
All right, what's up? We got a banger. We got a doozy. We got a we got a two-man trio here and
It's just me and Sam. No guest today Sam. What's up?
Nothing. I've liked having guests actually normally. I hate it lately. I've enjoyed it. What's the difference? We should do more. I
Like the people we've chatted with it's been better. Yeah, not like those other crusty guests in the past
I have got a meaty topic
It looks like I don't know if you have meaty ones, but you have four good ones, but they're smaller
Is that right? All right, I'm gonna tell you about a business that I think is kind of interesting been been put this on my radar
Yesterday he goes he goes dude your sister should open a play street a play street
I was like what the hell's a play street? So I'm looking up
Have you ever heard of this thing play street museum? Probably not, you know, you don't have little kids, but
basically
imagine like a
Good for you version of Chuck E cheese
Let's start with that as the as the analogy. So like Chuck E cheese is you know
It's like
Come eat rat pizza at my child casino
Dude my parents used to say the there I always thought the Chuck E cheese near my house had burnt down
But they just that's a no it burnt down. We can't go anymore
If I drove by there when I got a license and it wasn't burnt down
I just thought I'd
That was their excuse
It's like one of those facts your parents tell you when you're five and you just believe it to be true
Like totally, you know, I think I thought my I told you my my father one time said real men don't drink with straws
But he was referring to like a jacket so like for years. I was like, oh, we don't we're not a lot of drink from straws
Like the Chuck E cheese is the Chuck E cheese on Chippewa burnt down. You know, it's not there anymore
That was the street Chippewa
Do good. All right, so this thing play street is basically you go there. It's a nice clean plate
It's like the like a dream playroom for your kids
So it's like they got a giant train set. They have some learning games
They got like, you know, the floors all it's like child safe and you basically pay 15 beautifully
And you get to play for an hour and a half or something like that
And so Ben goes, yeah, I've been going to this place and I see you that basically the one near me at least

He goes, I think they're doing 50 grand a month like a 50 grand a month
That's kind of a lot and he goes. Yeah, he goes. They basically they have and I forgot the exact numbers
But it's like seven sessions a day. It's $15 each
And you have 25 kids I think in the in the thing at once
And he goes they're basically 75% full in these sessions
You kind of do the math you're like, all right
That gets you kind of like to 40k plus you can host your kids birthday parties there in the nights and weekends
And so some people do that. He's like, I think they're probably you know an extra 8 to 10k of sort of event revenue per month
And then if you look at the cost, you know, you got your rent
It's probably like, you know, 5k and you have you know, you have your staff your teacher
You're sort of like your your supervisors or whatever that are like overseeing the the play space and like resetting it
Recleaning it in between sessions
I
Think I'm pretty sure this thing is like netting
something like 30k a month in profit maybe 25k a month in profit and and they have tons of these locations
Yes, so it turns out they're franchising or something like that
I don't know if these numbers are true by the way
This is like complete guesswork on my side, but I wouldn't be surprised my sister owns
Some preschools in San Francisco and the numbers are somewhat similar now. That's different.
That's you know, they pay
You know a lot more but for for you know, regular schooling
But it's interesting to me that these play spaces can
Can do so well and it's like it's weatherproof
It's like, you know, you do it like I know with me like we go to Target three times a week
You might ask yourself Sean. What do you what do you need from Target so much?
You don't you know, you can order online and what I tell you is this is
This is daycare for me
Sean goes to Target so much that in his home you have this like Target
like a Target checkout place that and a
Target like grocery cart that you said you had to like find because it was like a collector's edition or like it was all sold
Out everywhere, right? Did you go crazy for this? You had to like buy it on eBay and do a big mark
Yeah, exactly these Target mini grocery carts
Kids love them because they're they used to see the kids like to do anything
They've seen their parents doing so the whole mini grocery check out plus plus Target cart is
Is I can hide a man so I go there often and I do it because you got to kill time
It's like how do I kill 90 minutes?
And ideally and I would do something that's like enriching to them

you know worst-case scenario we just go to Starbucks or Target or whatever and
This would be better
I would gladly pay 15 bucks for my kids to be able to go play in a place
That's not a park which is like weather weather dependent. So I think these are really cool ideas
Other than I think this play street thing is a cool idea and I could see this
You know this franchise doing like you know decently well probably not the best franchise in the world
But I think it could do decently well
Where are the locations? They're like Texas. There's like none in California none in New York
It's like bunch of like but what are they? It's like a it's like a blank commercial space
So like you don't need any food stuff. So you just you know, it's like a just a blank like retail space, huh?
Yeah, I mean their branding is pretty pretty good
It's like how escape rooms work escape rooms work because right they require no specific real estate
They can operate in a very small footprint and they take like two staff to run at any all day
And so escape rooms actually are like, you know fairly fairly good, you know franchise businesses or they were for a period of time
Now unlike a escape room, which is kind of like you don't know if escape rooms are a fad or if they're gonna be like popular three years from now
These you kind of know are gonna be popular because it's like, yeah, every parent's got this problem
All right, let me tell you about another another thing like this another problem. You haven't really thought about this business called 260 sample sale
You're heard of this. No
So Google it. It's like kind of a cool New York thing
So what what they do is any e-commerce or fashion brand has a ton of
You know photo samples or product samples that they get from their manufacturer
They use them in their photo shoots
to create the pictures on the website or for advertisements or marketing or whatever and then those don't live in the warehouse like they live like where the photographer is or where their office is and
You just end up piling up boxes and boxes and boxes of photo samples
You know over time because it let's say you you know most fashion brands or apparel brands have
You know thousands of skews for each skew you had a sample made before you had the production one made
But you didn't just have one sample made you have each of the sizes made and because you needed it for the photo shoot
To be able to show the range or be able to cast different types of models
And so what ends up happening is you get a ton of these samples over over the years that you can't really it's like not worth your time
To get rid of and so this business popped up again like
You know the markets are like, you know water and water is gonna just flow everywhere
There's an empty crevice and there's an empty crevice in this market here for getting rid of these

samples
So what they do is 260 samples. Oh, so send us your shit brand and we will host a pop-up
But we're gonna sell you along with a bunch of other brands
All out of great markdown
So we have high quality brands at a markdown because these are samples
So you're not like training your customer that like, you know, hey, this is like TJ max discount or something like that
It's it's a good story. This is these are samples that you're gonna get
for less and
They'll like they'll just give the brand a commission back. They'll say, you know
Every time we sell something of yours you get a small commission. It's better than nothing. It takes it out of your space
How'd you how'd you find this?
This is totally out of your out of your dude
They're only based in LA Miami, New York and the pictures are like smoking hot women and then like
It looks like a picture of like a huge line out of a warehouse in Soho
So hot women and waiting those things. I don't do it. You know, your boy doesn't do it. Yeah
Yeah, none of this text your box
Yeah, your boys so married and so in the house that I did not go to this
You're right, but I'm in the e-commerce world. I got my own e-commerce brand plus
I know and talk to a lot of other e-commerce people and I know about this problem
So I heard about this solution and I think it's very clever. I think it is a smart thing to do
I also think these guys are not that well known and they're only doing it in certain
Certain areas certain locations and whatever. I think this could be done it many times over
I think I think like a spy wrestler could do this by vertical
So you could go get a bunch of health and wellness and fitness brands or beauty brands and be like hey beauty brands
Send us your products and we're gonna we'll have a
Stations where you can demo them and sample them and then buy them. So I think you could do this for other verticals
I think you just do this in other places like hey if these guys are doing New York in LA
I think that their locations are like Beverly Hills and Brooklyn or something
Do this in Texas do this in do this in different different parts of the country. I think you could have a
You know, it's like your own little farmers market
It's your own flea market that you you get to stock and run
But you don't have to do it as a full-time job
So you can do it with every quarter or twice a year or something like that and still haven't be successful
So I thought this is a cool. Have you heard?
Do you know Kingsford charcoal? You've you've seen it. It's like the most popular charcoal like the blue
Do you know how that was created? I think it's a byproduct of something else, right?

Well, was it exactly of wood Ford so Ford when when when Ford was making cars
They had to like, you know have all these furnaces making metal and they took like the leftover char
And they're like what should we do this and so they pushed it together and compact it really tight
And that's how charcoal came to be and that's like a byproduct business and I love byproduct stuff
You know, it's kind of like it's tangentially. It's kissing cousins with like the sharing economy
I love that stuff. I love byproduct stuff and this is one of those. That's awesome
This is actually quite cool. Their website is really challenging to use which is I think actually a good sign
Because I can't tell like apparently they do sell stuff online
But it's mostly but one thing I do hate whenever I go to New York
Dude seeing people wait in line to buy like supreme clothing
Like just put the gun in my mouth man. Like I'm never doing that. I'm not doing that. I'm not gonna wait in line
And spend my valuable time to purchase a thousand dollar like thing that should only thing worse than that is bottle service at a club
It's like the guys who are paying, you know, seven thousand dollars for a table
To end paying a thousand dollars per bottle that they could literally walk across the street buy for forty dollars. It's a
It's literally like tax. It's like, oh, you're a chump come to this line. Please. Please. Please. Yeah, come right ahead
You walk through the chump line
I'm not a man of God
But when Jesus made like the list of seven deadly sins the example of debauchery and gluttony was people waiting in line for five
Hours to go to a supreme store. I mean like whatever like I see that stuff
I've like this is the worst form of consumerism. I cannot stand this so I they have these pictures here
It turns me off
I
I would maybe buy this online, but I ain't standing in line
I'm not standing in line with the bunch of these people to buy this stuff
I can't stand now whenever I see that it makes me want to like throw away everything and go live
All right, here's an idea. You're gonna like more
Host share so got a DM from a guy named Michael Fisk and he shows me this thing called host share.co
And he goes here's the here's here's the here's the situation you have a short-term rental, right?
Yeah a property
Yeah, shout it out. So people can go stay at marathon ranch.com marathon ranch marathon ranch. Is it dot com?
Yeah, or dot co. I don't know yeah dot com marathon ranch Sam comes by has dinner with you gives you massage. It's fantastic. So
You don't have a hundred percent occupancy, right? You have some nights that are unused. Is that correct?
It's a 60% occupancy rate is is a profitable money. So you got let's say 40%

That's unused nights. What you doing with those nights? This is the sharing economy, bro
What you doing with those nights? Well Michael Fisk has an answer for you
his answer is trade your unused nights with other
hosts who have unused nights you stay for free there they stay for free in your place and
I think this is a really smart idea. I don't know how many hosts. Let's Google this how many
Hosts on Airbnb. I don't know how many properties they have or how many hosts four million
Okay, so you have a market of four million hosts that you could make a inter host
Like network basically where you say hey if you're a host you get to travel for free
So you get to I know I don't know how they make things equal
So like if your property is way more dope than somebody else's I don't know how you make that that trade
Okay, how do you normalize the values across properties?
We calculate how many shared nights you would be staying in in exchange for 21
In exchange for the 21 days of travel per year the formulas this episode higher higher value properties share less nights lower value properties
Share more nights. So for instance, if your average night is $500 you'll share approximately 15 nights a year
Whereas if you're $100 you got to share 45 nights in a year take to the same minimum
That's great. So like what's your property per night per night right now?
Uh, $700 $700 you're gonna basically what they'll say is hey
Make your thing open for 12 days out of the year
And then in exchange you get 21 days free booking in this network. Would you take that deal? That's
Yeah, in fact, I do so go to live live kindred.com. So it's kindred k i n d r e d and then live
Live kindred exist. So I use this service. So my dream situation is I want to find like another couple that has like similar
Style or like once as I do that lives in New York
And they want to be in Austin and we could just swap and I've not found a good solution for that but
There's this thing called live kindred kindred that I do that I have used where someone will stay at my home when I'm not there
And then I get credits for the marketplace and then like I'm going to go to tau's new mexico
Like I have like eight credits because someone stayed at my house for eight nights and I know that so I'm going to go
And stay somewhere else for free
And it's actually pretty cool. I wish that it was just like a direct swap
So I could do six months here. We could just swap six months for six months
But I've been using services like these I actually think that I don't think I'm not bold enough to say like this is the future
but I think that like
You know, there are a lot of people like me who do split time
Dude finding a place for those split like when you split time, it's really challenging. I'm always looking for a good solution
Yeah, that's uh

That's good. I didn't know that something like this exists. So with this, do you it's hard and I think they raised money by the way from
Yeah, you give up your space. Is that right? So you give up you put your space in the network
But you still have to pay or you it's free
Uh, I there's some type of service fee. Frankly, I don't think it's a good business
I don't understand how they make money and because what what I said when I signed up for I was like, I'm getting a lot of value
I'm not spending a lot of value. I don't know how you guys are doing this. So like that's like bc subsidy right now
You're getting that andreason horowitz value exchange
Yeah, so like we're trying to use our credits quickly because I think I don't know if they're gonna stay in business or not
Because I don't I don't understand how it works, but it is awesome if it's awesome if it does work
That's hilarious
So, yeah, I like these types of businesses where where uh, or that solved this problem. Uh, is host share popular?
I think it's brand new. I think the guy just created it
Yeah, if you could pull it off, it's pretty amazing. It's a smart model
I think it's hard to pull off because like I don't understand how host share makes money
I think they have to charge a flat membership. So I think they have to basically say
it's five hundred dollars or a thousand dollars a year to be in the network and um
You know, you only pay if you use more than five nights or something like that make it a make it a fair trade
And um, you know, I think I think basically then they they're trying to get a subscription, right? So they're trying to say
Can I get
50,000 people to pay us a thousand dollars a year?
um
On this subscription. There's a few things like that. I forget what the big one is called
But there's they there's things like for luxury rentals where I'm almost
Certain that they just partnered with hotels where you pay like five grand a year. Do you know what I'm talking about?
It's called avanta. Yeah, I don't know the name of it, but I know what you're talking about
It's like you get access to this like you know for boutique hotels
Yeah, and I've looked into them when I originally saw it. I didn't have enough money
Like I I wasn't in the spot that I could do it and so I've been looking for things like this
I actually I really like these businesses. There's one. There's this company called the the nerd wallet of england
I forget what it was called. It's called the money market swap. Oh, yeah
Yeah
There's a guy named simon who started it and so basically he started like the nerd wall
He started a blog that compared like mortgage rates and things like that
And if you bought one or got a mortgage through him, you got affiliate fee

It's uh, I think it's called super money market is what it's called. It's publicly traded in england
Anyway, the guy sold all of his shares after he took a public 20 years later
And he now owns this thing called like simons resorts
And so it's this rich guy who went and bought like 50 resort or 50 like really nice
Homes around the world and I actually don't know they they frame it up
Like this is his personal stuff and you can just use it when he's not there
But it's actually pretty cool
And so I love these types of things because I think they're just neat to like buy all this shit and share it with everyone
I think it's really cool. Yeah, I like that. Can I tell you about a little random experiment I'm going to do so
I want to make for this christmas season
a deep fake santa
So basically you're going to be able to come on the site and pay
$35 and you
um
And you type in your message you could say hey wish my daughter jessica
Merry christmas tell her great job with the soccer
thing and
Be nice to her brother
big sports
Great legs and soccer
And so you'll be able to type in that message and then
It'll basically create a video that's santa saying this to you
So what i'm going to do is i'm going to try this thing that replete has so replete has this new thing where you could basically buy
Developer cycles have you seen this?
No, but so you can go so let's say you need something built
You could basically just go and buy
You could put up a bounty. So you're like, all right. I want somebody to build me this deep fake santa
It's got to do a b and c and you put up a bounty you put up put up the dollars and then people will just build it for you
and um
And you can you basically have an award. So it's kind of like a uh
Uh, like 99 design design code. Yeah, exactly
And and you do it in their currency which is called cycles and so they kind of help you estimate like roughly how many
How many cycles should this be for this to to to work out?
But i haven't used it yet. I really want to try this bounty thing. I think it's great because so you're gonna, uh
You're gonna pull an emerson. You're gonna, uh, you're gonna be this smart guy who just doesn't money grab
Uh, no, i'm gonna bring i'm gonna pull uh, jesson mares. I'm gonna bring the joy

Of a christmas of belief really of the belief in magic
Uh to millions of kids around the world this christmas. What are you doing for the children this year sam?
Is that your you're gonna do the jesson mares pitch like
So we had a problem. We wanted to bring joy to children
But like and we thought what better way to do that than a $50 card in a world full of war and divisiveness
Joy is all we have left. It is what they call the last refuge
and
People say that magic is magic, but the magic is getting people to believe the magic
And how do you get people to believe using deep fake technology and that's what we
How do you get people to to believe in?
You lie
We're gonna we're gonna create a fake cartoon about a fake person. We're gonna charge real money and it's gonna be a fantastic result
Are you really gonna do this? Yeah, because I really want to try this
Bounty thing. Oh, I want to play with this. Uh, I think this can be called. What's the you're all gonna be? Um
I think it's gonna be called santa's real. Uh, you know dot org
Give it a dot org
Let's make all of our businesses.org just so we could like just so we can be better than other people
Yeah
For a long time, I wanted to make my businesses dot net so people would think that I've been around for a long time
Your personal website has to be a dot net and then your business should be a dot org
Yeah, but dot org is way better. I'm gonna do a dot org
That's way better than that stupid ass xyz crypto bullshit. I want a dot org
Is that what they are or like dot ai dot i o if you have a data i o like i'm not in
I want a dot org
We are a for-profit dot org. It's fantastic
Is that what dot org means? It's a I think you have to be a nonprofit to get a dot org
But who makes that decision is there like a governing I think you have to like present your yeah
I add for your 501 3c or something like that. I have no idea. I've never done this to be clear
I've always been firmly in the dot com camp, but I'm ready to uh, I made my nut and I'm ready to go
And get get my dot org on for the rest of my life
That's like uh on stage andrew or backstage we were like so what are you doing and he used the p word
I know he still expanded us with the philanthropy
Yeah, it's like dude if you don't say that word around me. Don't say philanthropy. Don't flex with me bro
and uh
So now instead of philanthropy, it's dot orgs
A wilkinson dot org go ahead and email me there

Today I want to talk about vice vice dot com
The reason I'm talking about them is because they are about to declare bankruptcy, right?
Cue the michael scott clip where he just walks out and declares bankruptcy
Let's think about that. I love that clip now
Yeah, I agree most every joke I said on this podcast. I've stolen from that show
So the reason I want to talk about them is not because of vice but because of the story of the founder Shane Smith
And if you're under the age of
26 vice probably means nothing to you. They've actually like very quickly lost relevancy
But to give you some background of what vices
So vice originally was up like a punk rock magazines based out of montreal
So it was three canadian guys one of those guys being gavin mckintosh. You know who gavin mckintosh is
No, who's that?
Have you have you heard of proud boys?
proud boys like the uh political thing
Yeah, he started proud boys
Which a lot of people don't realize and so it was like these three like
Kind of like punk rocker guys and gavin mckintosh being one of them
Shane smith who i'm going to talk about today was the other one and basically the way it started was they got like a
Grant from the government where they were able to launch this magazine and that's how it started it started as a
Skateboarding punk rock magazine and they would write like these amazing articles where it was like
Vice's guide to drugs and they would like write all these stories about drugs. They would use the n word all the time
They would like they were like wow
It's kind of like you know how like some you probably don't know about this
But like in the punk rock community they like
Sometimes they'll like talk about nazis and talk about like use racist language
But they do it as like a shock factor because it's like i want to be in your face that type of thing
That's what vice was all about
I don't remember
I don't know if you remember like the old school covers of these magazines
But it would be like a tab of lsd on like a hot chick's
Tongue do you remember it like I don't remember seeing the vice magazine
I remember reading something you're actually they called it just zines
Is there a difference between a zine and a magazine because that's what that's what I just
Just the just the culture if it's someone's a zine, it's typically more it's like a punk rock thing
Whereas if it's a magazine it could be like gq. Okay, gotcha
So you've never seen these but it started out as like hardcore punk rock where they would write articles about

um
Doing drugs having sex like just rock and roll shit
And that started getting picked up and so they started this company in 94
But in 99 they moved to new york and that was like where things changed and that's right where like the internet
Just got started what looks like you're looking at something funny
i'm looking at the magazine covers and i'm and you're saying rock and roll and i was just thinking about like
This is what cool like basically like this is what influential people
It's like kind of like our musicians were influential people and they did this stuff
It's like the the tongue with the lsd on it. It's like someone just biting a tuft of hair
I don't know why there's a bunch of hair in someone's mouth and I was just thinking about pot and roll
And how it would be just like someone entering a cold plunge
Someone meditating. It's like yeah, we're part of that pot and roll things have changed
Yeah, we were the famous podcasters, you know what I mean? They're all just on a cold hot cold man is crazy
The temperature variance is insane
Things have changed things have changed
Cool has changed
Yeah, the definition of cool has changed which is actually part of the thing i'm going to discuss
But so the internet starts coming around in the late 90s. They raise a little bit of money like two million dollars. They move down to
They move down to new york and that's where they like really get going
And so they create the website vice.com originally was a magazine
There was a free magazine that they would just hand out and they would make money off ads
And it would be the three of them writing articles and they would do something that I used to do all the time
Where they would have like fake authors
So it'd be like someone who wasn't real just fucking making up stories is really what it was which is
You know, it was an entertainment magazine. So that's fine
But they start growing and it takes off after a handful of years and so
They kind of created this thing at the time
Now we just know as like branded
Content where it was now sometimes people call them advertorials things like that
but basically their whole shtick was
We're gonna make awesome content and we're gonna get the eyeballs of millennials which back then millennials were like the gen z today
You know, it was like the elusive hard to reach audience
And they said we're gonna reach these millennials
And we're gonna make the best content and we're just gonna plaster your logo on there
And that's gonna be good enough for you and this is like pre facebook
So like performance advertising wasn't really much of a thing

And so it was like the way to advertise and eventually they blow up and
The important part of the story isn't exactly that they blew up because they did
But the story is like the antics that they went along and and built this thing with and so
They raised money from rubric murdoch. Who's you know, the founder of fox
They raised money from all these amazing people by com eventually they raised money at a six billion dollar valuation
Today they're nothing but they still make six hundred million dollars a year in revenue
And so I want to talk about some of the crazy stuff that the founder did as well as how their business model works
And so have you ever heard of the the guy shane smith who was the CEO and kind of the main man?
Never
All right, so he had a whole bunch of interesting things that he did
So if you google shane smith
You'll probably see like pictures of him like it's a it's a a guy who almost looks like a punk rock santa claus
Where he's kind of like a bigger guy
And he like you'll see like he's got sleeve tattoos and you'll see him shirtless all the time and smoke it a cigar
Do you like see any pictures like yeah, he looks like
He looks a little bit like the guy who's the number two guy in billions. I forget what the guy's name is
Like not not axe, but his his right-hand man
Yeah, yeah, yeah like that guy if that guy had just like chest tattoos if you just had like a tattoo around his nipple
That'd be this guy
Dude, so he's just like crazy
And so vice originally the way that they became respected is they would do all this crazy stuff
But it was him doing it shane the ceo and so he would go to liberia during
When they're having a civil war and he would just bring a camera and just get dropped in liberia and figure it out
In 2013 he traveled to north korea
Because he organized a basketball game between the harlem globetrotters and the national team of north korea
And that was like the big stick and then eventually do you remember hearing about denis rodman going to uh north korea?
That was for a vice documentary and they would make these like
Free documentaries and they would post them on it was originally their site
And then they moved to youtube and they would get lots of views and they would like
Put like an intel logo on there and that's how they made money
And so they and so he was known for walking around his office of like vice and i've been to the office
It's like as magnificent as you would think it's like the coolest of the cool and he would walk around shirtless and he would just like
Say crazy stuff. He was known for just being like this wild guy
And so one time when he hired a ceo

Her name was nancy. This was recently he said we're the monitor
We're the modern day body and clad and we're here to take all your money
And he would just say stuff like that all the time there was another time when they were just getting started
And uh, I believe it was into it. They came um
Was it into it or ibm one of those they came to the office in order to uh pitch or vice was going to pitch into it
And so what they did was there was a really shitty office at the time 24 hours before the meeting. He built like a glass
Uh conference room so it looks legit
And so you could see your employees and then he went and hired a bunch of like actors and got a tons of friends to come
And work in the office to make it look like they're important because he always like said something like um
We don't want them to think that were or what do you say we want them to think that were rich
Like they like he was like we're gonna act as it right and he did and they eventually got a 25 million dollar deal
From this company and it worked out and there was another time where
There was this uh 2003 vice made it their documentary on themselves
And he tells a story about when they started the company how he got arrested in Bangkok
Bangkok and he said something like a few years later
They were like, yeah, I remember that story you just talked about being imprisoned in Bangkok
And he was like, yeah, yeah, I remember that and he goes tell me more about that. He goes well
I made it all up
We needed a story on how the we needed a story on how the company started and I'd heard the story from someone else
So I just took it over and we needed and I just had to take make it mine
He's like I watched the hangover three and uh decided that was my life
Dude, he would do crazy stuff like that all the time. There was another time where I was reading this interview with him
He uh, there was this headline about how he spent 300 thousand dollars
At dinner in vegas and a reporter goes. Did you really spend 300 thousand dollars for dinner? He goes, no
It was 380 thousand dollars plus tip and it was barely dinner. It was mostly wine
and so
He's just he the guy's like wild he even tells
Crazier stories where he goes. This was a quote from uh, the uh, financial times
He would go I would be at the party and would just go get wasted
Take coke have sex with girls in the bathroom and then get uh, and then afterwards mail my
Advertisers drugs because I knew if I sent them a bunch of drugs in the mail
They would keep buying ads with us and he admits all this stuff. He's
It's crazy, man. This guy's wild. How could this have gone bankrupt? I just don't get it
Well, so check this out. Where did we go wrong? Was it when we

Mailed our customers drugs or when I did drugs during the day when I was working with my shirt off having sex in the bathrooms
Dude, he tells a story about him and his co-founders having three sums with like people who are going to buy ads with them
And he says that they were like mobsters who accidentally clanked shovels together while they are bearing a body
If that analogy makes sense when someone was like, what's it feel like having sex with your co-founder and you know
Do you guys ever like touch he goes? Yeah, but it's just like two mafia guys and our shovels accidentally clank while we're burying the body
Wow, this guy is a showman. He's a total showman
Of course, it didn't work out well
And all seriousness didn't uh totally blew it
It didn't it didn't work out well for the company, but it worked out for him. So google shane smith house
Yeah, I see a 50 million dollar house. I'm up two steps ahead. He already googled it
So this there's this amazing article that came out in 2008 where it's all about shane smith and it says shane smith's
Living large and it documents his new house that he purchased for 30 million dollars. I think and it's this beautiful mansion
Up in uh la somewhere
Well, he recently sold it for 50 million dollars
So like this guy has totally come out on top of this of this whole thing
And it's just really fascinating that he basically came in he spent about 15 20 years doing this thing right before
Like tie the tide change and like these guys were the opposite of woke now vice is like the wakas of the woke
But right before that change happened
He got his money. He got out and he bounced and he hired a ceo
And uh his story is super super fascinating. And so you've never heard of him. I've never heard of him
Uh, I briefly knew that vice started as a as a zine or magazine
What's your main takeaways because this is entertaining because this guy's like philx denis just like reincarnated
Um, so what's your takeaway? You're a media guy
You're you're a bit of a wild man
Well, what's your take on this? I mean this this guy makes you look like a like a, you know choir boy or something, but uh
What's your takeaways from this story?
I have a bunch of takeaways and so but first let me tell you how their business model works because that's part of my takeaways
So a lot of people don't realize how they make money. They're going bankrupt now
But they still make 600 million a year in revenue, but it's just like wildly unprofitable

So they their company it's basically like I consider it like a mortgage backed security for media
And so do you remember like the mortgage backed securities of 2008?
Where it was basically like banks would buy like tens of thousands of mortgages in one tranche
Turns out like
4 000 of the 10 000 were shit. That's exactly what vice does and so they they got famous because
They only had like 20 or 30 million monthly visits to their website vice.com
Which isn't a ton. That's not a ton for hundreds of millions in revenue
What they did was they did uh, they partnered with omg facts dot com
Distractified dot com and all these other clickbait websites and they would roll that up
And so they would call them part of the vice network and so they would tell people
Uh, you know like intel or whoever the big advertisers are
look, we reach all of
Millennials and we have a hundred million 200 million monthly uniques to our network in reality
It was on like shit sites like, you know, all those other things and that was like once that came out
It was kind of frowned upon
And then the other way they made money was they had a agency called virtue like vice and virtue, which is pretty clever
But their whole company is basically a creative agency
So they would make content for snapchat
Facebook and then eventually hbo and and they would get paid like a service fee basically for it
And it was basically one big agency and that's how they made money
Which brings me to
The takeaways takeaway one
If you're going to be a company that makes money from multiple different streams of revenue, you got to nail one first
They didn't even nail one like
Stream of revenue. They had like five other things that added up to a lot
But not one of them worked wonderfully at least not enough to be profitable
So that's one major takeaway. The second major takeaway is they would always say they're going to be the next disney
They go, we're going to be a mini disney. Shane once said we're worth 10 billion right now
But conservatively, I think we're going to be worth 40 or 50 billion in a couple of years that couple of years would have been like in
2020 or something never worked out because we're going to be just like disney except with like cocaine
Didn't work out why because no one likes them if you're going to build the next disney
You got to be like people got to love you, you know, people love mickey mouse
They don't really love like shane smith, you know and all that stuff, you know, they like them
They don't they don't really love them. So if you're going to be a meaty company like that, you have to have
Something that people love
The next thing is news if you're going to be in the news business
That's really really hard because you have to stay relevant

And I actually think that you should be something that typically people don't grow out of but they grow into
Meaning a wall street journal a new york times if you're going to be like one of these publications
Economist financial times things like that you want to grow into it meaning like as you get older
You want to like aspire to be able to read it and like it and understand it and brag about it whereas the advice
It was like i'm no longer 28 years old reading about this stuff
It's not exactly cool. And plus the people working there
You kind of look silly. I've always said about this about bars barcels sports
I'm like, dude, Dave Portnoy is getting older like some of these antics are kind of not going to be cool anymore
They're more so like pathetic. Do you know what I mean? And that's kind of happened with advice.
Yeah, you basically, uh
You either
Stay with the schtick
And you just start to look like a clown as you get older and older
Or you got to sell get out and change your life, you know change your lifestyle
And uh, it's pretty interesting because it's very hard to let go because a
If you weren't such a nut, you wouldn't have got that got this level of success in the first place
So it's kind of like a self-fulfilling prophecy. And then on the second second part of it, you know
It's very easy to get addicted to the character of the fame the money that comes with with acting a certain way
You're being rewarded rewarded rewarded
And then now you're 57
And you're or you know, you're vince mcman now or you're Hugh Hefner now or you're whoever right like it's hard to leave the character
Even though you might actually maybe you actually should, uh, you know grow out of it. Um
Anyways, but I'm glad that these guys don't grow out of it. It's it's for our entertainment. Thank you
Thank you for your service. Shane Smith. It is and the last two things
If you're gonna build a media company avoid new york city
like
When you're a creative services business, you need it's a it's a talent arbitrage
And it's really hard to do that when you're in a really high cost of living city like new york and also
You saw that they like became this woke company, which I don't entirely believe like go woke go broke like that type of thing
I do think that um
I think that like there's a niche you can make money in any niche in a matter of your woke or not
But they like changed that way when that wasn't originally what they did
And I think they changed that way because they moved like williamsburg and and everything like that and they totally changed their
Their their shtick, but the last thing is actually a compliment
So you texted me the other day right before you're about to go on to you're gonna speak at this conference and you said, uh

What did you say about to drop some showmanship on these bitches?
But show these bitches some showmanship
Yeah
And that is totally true and that is what he did and frankly even though he it seems as though he conned a lot of people
He kind of got the last laugh and he had showmanship throughout the entire thing
And had it worked out it would have been a lot cooler
But having showmanship it totally works. There's like people ask me like, oh, do you get nervous before public speaking?
It's like, I don't know man
Frowns nervous probably wouldn't be thinking i'm about to drop some showmanship on these bitches
It's a different attitude versus I hope I don't mess up
Dude, he's like throughout his career if you can like there's so many craziest stories about this guy
It's all about showmanship
He does the wildest stuff where he like tells stories the way he tells stories
It captures your attention and some of his employees were like when I'm with shane
I feel like I'm going to war and I'll go to any war with him
Or there's like, uh, Johnny Knoxville did a interview and he was talking about shane and he goes
He's the greatest leader you could ever have also the greatest drinking buddy
But uh
And like he like does this a lot of bio. Yeah
He like has all of these like amazing
One-liners even if they are full of shit, but whatever I hear him talk. I'm like, oh my god
I believe everything you said so for example. Have you ever heard me say
The best way to circumvent someone's bullshit detector is to not bullshit. I've used that line a couple times
I stole it from him
So he would like he has all these like amazing one-liners and that showmanship. It's absolutely captivating
There's like a story about him with rubric murdoch and rubric murdoch and shane are walking and rubric murdoch is like a
You know, if you see the movie sick or tv so succession. He's like that guy. He's like a mean old man
And shane sits down with them and goes
You don't have millennials, but I do I have everything you don't have and like he's talking to this billionaire
testosterone
The value of my youth
One of the things I don't have
All right
But he just like totally like swings above his weight and I think it's really fascinating to learn from this guy
So if you're listening to this google shane smith, it's there's like crazy stories about this guy

Good segment by you. Good. Good job by you. Good job. I like that one
I actually have a spin-off of that you mentioned a company in there
That I was like, hmm that sounds familiar. I kind of remember this name
So you said omg facts. Do you know who started omg facts?
I do I forget his name, but he's an oddball right this guy emerson sparts
And I met emerson sparts maybe 10 years ago
And when he was building omg facts and building a network called dose media. He's like a genius, right?
He is I met him and I was like, wow, this guy is super smart
Um, I actually think that he is kind of like if he had just applied himself to some other areas
he would have like totally uh done done some
Like you know, absolutely amazing things everybody would know his name versus just kind of me and half of you knowing his name
So I'm going to tell you a couple things about emerson sparts
So the guy when he was 12 years old
Built a website called muggle net and I don't know if you're a harry potter guy, but
I'm I'm a harry potter guy
And I was on muggle net all the time and I used to love this because it was the number one harry potter
fan site in the world tons and tons of traffic
I mean at the time harry potter was like, you know, justin beaver. It was a harry potter was was super super famous
And in between the books people wanted a place to discuss to post theories to post fan fiction to
Debates, you know, what should have happened blah blah blah
And so muggle net when he's 12
He builds the super popular site getting millions and millions of visitors when he's 18
He publishes a best-selling book his best-selling book is called
uh, it's called
Harry potter should have died
Controversial views from the number one fan site and basically it's like harry survived. What should he have?
Uh, you know, I run the world's biggest fan site for harry potter
And here's some of the controversial viewpoints that people have about harry potter
You can already see this guy's got the he's got the certain that oju that comes with the sandwich
He's got the sauce and uh, he's got the showmanship. And so he
I met him. Maybe he was I don't know how old he was maybe 22 or something like this at this point and um,
Where'd you meet him? I don't even remember man. I just I remember being on a call with him a video call
And it was him and I think it's a girlfriend at the time and they were creating something called dose media and I go
So what is it? He goes well, we were going to make like really viral content. So
Uh, they had omg facts. That was one of their companies. They had like four or five

websites like that one that was like science facts ones that was funny things one that was
Whatever controversial or pop culture stuff like references to tv shows and things that were hot right now
And they had these websites and I go, okay. So how do you like at the time in my mind? I was like going viral is
Getting you know lightning strikes you, you know, you it's just not something you try to do
It's just something that happens or it doesn't happen and it usually doesn't happen
He's like no no no and he had built a four-part system. This is the first guy. He's like, yeah
We're a different type of technology company
We have uh 18 engineers and we have four riders and we reach millions and millions of people a month and I was like
No, no, it was actually good. I was like, so what what are the engineers doing? He's like, well basically
All the viral content on in the world starts
Either in one of three places reddit
imager or 4chan
And he's like basically I built a detector that would find stuff
That's going that's getting hot on those on those three platforms
First before it hits instagram before it hits facebook before it hits twitter
It's going to get popular there first and he owes so we built a detector
then we built a
Like a then the rider basically would would build like like write a summary and then we built a ab tester that would basically create headlines
um
Headlines and uh and like different like uh frames of that same story
And it would test them really quickly that we had a tester that would spray that out
We would pay to get that in front of like, you know, 5,000 10,000 people
We would find what what's the winning angle and then we would have the post and then distribution, right?
And then we would actually distribute that to our audience and so we could engineer
A higher degree of virality in every piece of content. Why because we're finding the best stuff
Or packaging it quickly with our writer then we're remixing it with our automated ab tester
That's going to juice up the headlines and then the images then we're
Spraying it out getting data feedback telling us which of these 15 variations is the winner and then we post the winner
And um, I was like, dude, this is amazing and over the few years
I saw him build this up and he his traffic kept going up and up now the problem was
His traffic wasn't that valuable. It was kind of fly by traffic
It was kind of like the lowest common denominator of the internet and from facebook
I think it was very dependent on social networks and then facebook changed and
For a while facebook was like rewarding the hell out of anybody that could post viral content
And then he got two
Clickbaity on facebook and then facebook just manually went and unplugged the like viral engines

for for for these companies
And so like 10 companies died like, you know in that transition
I don't think he's totally died, but I think it definitely slowed down
And I think he also grew up and was the sort of like what else do I want to do in my life?
So now I just went to by the way really quick before that before you go on to him
Did I have I told you about my partner at hampton joe?
He had a company called little things which was the same thing as that it was a content like clickbait website
He started it in new york and then I'm like he had all these he had multiple floors in an office building
And it was killing it there at 100 million in revenue
He had a deal sell they went through due diligence. The deal was going to close in two weeks
That changed that you just referred to it happened to little things at the time little things was the most
trafficked website
From facebook in the world
So it was like little things and then it was like huff po and then like buzzfeed buzzfeed. Yeah
The deal was about to close. I think for a hundred and something million
He was going to walk away with 50 million after taxes two weeks before the money was supposed to go through
That changed happened the deal
He lost the deal and weeks or months like only a couple months later
They had a shut down the company and it was all because they built everything on top of facebook
That's a mike tyson gut punch right like uh birds fly
Fish swim and deals fall through that is the the the the sad part about deals that that is too common
Yes, and that's very common. That's what happened to this guy. I'm it's smart. I'm it's spark. So what happened to him?
Emerson sparts
Emerson sparts, sorry
Yes, but uh, here's his bio now
um
He's his thing says like ai history complex systems of bitcoin then he goes goal
I want to die number one on the leaderboard of people who changed the world
And so his what he's doing now is something called non-linear and non-linear. It looks like is basically a
Is basically a
company that is
funding people working on ai to make it make sure that it's safe and so
So they they fund basically non-linear entrepreneurs people who are trying to work on these like exponential technologies
And so yeah, they we incubate ex ex risk ex risk nonprofits
I don't even know what ex risk nonprofits means
Uh by connecting founders with ideas funding and mentorship and so that's what he's working on

now
But this guy's always going to do interesting things. This guy can't this guy can't be uninteresting
Dude, when I read about him, I I was like
Why are you doing this dude? Like you're doing this dose media thing like you seem like a genius. You're just absolutely wasting it
This is a what do you say? It's a uh, hi
High effort low or what do you say? It's a hermosi had a good one for this. It's a 10 out of 10
10 out of 10 entrepreneur going at a 4 out of 10 opportunity
And uh, that's how I felt when I met him. I remember literally like this is now 10 plus years later
I've not spoke to this guy
You mentioned omg facts and in my mind. I'm like that guy's smart follow up with that guy
Right because he left such an impression on me where I was like this guy is really really clever really smart
Really also like wholesome like even at the time he was like
Uh, even though he was working on something that's like typically I would say almost everybody
I know that's in this kind of like viral media actually just like lame. There's kind of shitheads and
And I mean that like in an endearing way like, you know
Some people are shitheads and it's all right. You're just like, yeah, I'm trying to I found this arbitrage. I'm making it happen
Um, and so he was not that he was really soft. So a really really nice guy
Ben says x risk is the risk that something can end the world. It's an existential risk. Okay. Yeah, good
So he's he's gonna save the planet which is dude in his website is a is a dot org. Yeah
Noble mission the dot org type of guy. I had a when I was in Austin
Um, a friend of mine was hanging out with Justin mayors who's been on the pod before
I think I can quote this because I think it's a good quote, but he said uh, he goes Justin said the best thing he goes
It doesn't matter how you make your first nut
She's got to make your first nut
But after you do that, then you want to work on a noble mission
And he's like dude, I he's like I like that
He's like, you know do whatever you got to do to make to make your first nut which is
You know get your the first few million dollars where you're financially free and you're in your uh, you don't have to have a job
You can work on whatever the hell you want
But then after that don't go chase the second nut go go after something. That's a noble mission go after something. That's awesome. And um
Yeah, very few people actually do that. In fact, I don't even think Justin is doing that at the moment, but but I
I love the quote. Isn't he doing like an fsa spending store. That's like the most like opportunistic thing I can hear I think of
The way that he pitched it it was pretty awesome
He said something like uh, obesity in America is like an epidemic and 60% of people are overweight
We want to make you eat healthier by making it easier to acquire like

You know this types of food and this type of health care and we're doing it via and then you like that's where the pitch comes in
All right, that's always a good look to his site. I think it's called true medicine
true med
So true med
He says food is medicine exercise medicine sleeps medicine
We don't mean this in a theoretical sense food exercise and sleep are all scientifically proven to prevent or alleviate
physical and mental illness
In short, these are all medicine
It's a true medicine payment integration that enables qualified customers to use pre tax hsa and fsa funds to purchase
Health promoting products and services from their favorite merchants
Soon it'll be available in the checkout flow for all merchants who are for merchants who sell healthy food supplements exercise equipment
And other health and wellness products. This is such a good idea. By the way, this is a
Phenomenal idea. This is a 10 out of 10 opportunity
and uh, dude
He pitched me to why have I not invested in this?
I didn't invest because I was just like saying no to everything and I deeply regret it
I deeply regret it because by the way, this is the best way to pitch a business
Which is like you like paint this like dreary picture like the world is obese
You know, did you know that like if you add up all the terrorist attacks all the guns all the car accidents
It would only be one tenth of the people who die
You know from being obese like you know that type of fact and you say like if we continue this
This is what the outcome is going to be this and that
And and so we need to solve this the way that we are happening
Happen to be trying to solve this is by doing x y and z and I'm like, all right. That's a great pitch.
Yeah, this is uh
Wow, I am so jealous that I'm not invested in this. I'm I'm messaging him right now. All right. Um, yeah, that's it
That's the pod we're out of here
I feel like I can rule the world. I know I could be what I want to
I put my all in it like no days off on the road. Let's travel never looking back