

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Hey everybody, welcome to the all-in podcast. I'm your moderator for the week Dave Friedberg Not the world's greatest moderator. This show is going to be a bit of a shortened version at the back end of the pod today

We actually are going to show some Q&A from Jason's launch summit, which he held in Napa Valley this week great event

Thanks for having us up there

Jay Cal thanks for coming great speakers great content and we did a live Q&A

For the all-in pod with the audience there, which we'll

Transition to about halfway through through the show today. Jay Cal. Thanks for your hospitality.

Oh, yeah, thanks for coming

The the fun birthday party the poker night. We had a great time. I still don't know what I was doing there

You were meeting some of your LPs who you'd never met before it was like a dog and pony show

Jay Cal is using us as some sort of dog and pony show to raise money

Taxid you really have LPs there that you had never met. No, yes

Hold on a second. I had one LP there who I have definitely met many times before okay

She told us she'd never met you she wanted an introduction

So maybe she's getting into the spirit of all-in and joking with you

But you had a three-hour meeting with one of your LPs as I heard

Yeah, she said she had like two or three hours with you mother you with us today. What's going on here there, buddy

She was very drunk by the way. He brought up his own wine. He started margarit

He was drunk by the time we got there what he showed up

He was day drinking margaritas in the sun

And then we showed up and he was like falling asleep by the time we were done with the stage

I love you guys

You know by the way politics is one of these incredible things where you see the meanest people come out of the woodwork when

you

Even feigned support for somebody that they don't support now that it's out there that sacks and I are doing this fundraiser for RFK

Oh, yeah, if you look at Twitter some of like the

the democratic surrogates are out just

smacking me and sacks around and

It's incredible because these people are like the biggest imposter loser clowns

They've never literally done anything in their whole life and then they show up and then they just like how dare you work and help build a company

How dare you help build another company?

How dare you help now fund other companies? I am a talking mouthpiece who's never done anything except work in one administration as a speechwriter

And now I think you guys suck balls. It's like give me a break

So you are you a little kind of emotional about that today

Actually, I love critiques actually because I think like you can learn a lot from critiques, but then

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

when mids just

spew I

Just get annoyed. I think mids should not be allowed to talk. Yeah

Well, that's just my thought there goes half the internet sacks are your Republican cohort friends

Upset about you hosting a fundraiser for RFK. I've got none of that none of that

That's interesting. What's your take on that? Yeah, do Republicans generally think that it's a good thing

If R. K. Jr. gets the Democratic nomination because he will be easily beatable. I don't think they're thinking that way

I think that there's a

respect

for RFK junior among many Republicans because he's speaking out on issues that they care about like I've talked about he's

Denouncing censorship. He's in favor of free speech. He's in favor of civil liberties and

You know not the this massive surveillance state. He's speaking out in favor of peace instead of war

He's speaking out on the border. He had this amazing video

That was great a couple of days ago where I went to the border in Yuma, Arizona

At 2 a.m. In the morning and he shows he shows where the border wall ends and

Where the border wall ends the line begins and people from all over the world are

Disentering through this hole in the wall in a never-ending stream of people and then they get loaded onto buses

Provided by the government and then they get handed a ticket to supposedly appear in court to resolve their case in three or four years

And they're never heard from again, and they're dispersed all over the country

What I don't understand is if the federal government can get its act together enough to provide buses

Why can't they get their act together enough to plug the hole in the wall? It's absurd

This is like an act of sabotage against the United States. And so he's there just pointing this out

I've never seen anything like this before it was interesting as a as a Democrat to do this because that's typically kind of a Republican

Point right and some of the commentary made about RFK junior

I think it was in the New York Times this week or someone that covered his candidacy one of the big media

companies

highlighted how much of his

Agenda seems to be a Republican talking point agenda. Does that sound accurate?

Even most people in the country who identify as Democrats would be against having an open border

That's what we're talking about when there's a hole in the wall and people can just start forming a line

And then once they get through the line, right? They're literally just put on there basically distributed throughout the country on buses

I don't think most people in the country even Democrats would support that

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

But what he's violating here is the press blackout on what's really going on at the border
So you're right like the only he went there. Yeah, but other Republican talking points. So the points around the vaccine
I don't know that's a Republican. Well, he's expressed obviously concerns about vaccines preceding the COVID vaccine
I don't know whether he's right about that or not
I'm not willing to say whether he's right or wrong about that because I just don't know enough
I think he's definitely right
About the inefficacy of the COVID vaccine. We've talked about this before even Bill Gates admits now that the vaccine doesn't work
It's too short acting and it doesn't hold up against variants. It's not a vaccine
Let's just it doesn't prevent you from getting the illness. It's a death reduction shot
It was a revenue grab by big pharma
plastered with
non-scientific
Thinking from a bunch of people who should have known better
Wow, okay. I think you just got our
So much for
This is just the truth. Hold on what you must have said is just like the factual reality and
And you can't get that from the mainstream media like there's no re-evaluation. There's no appraisal
They control what we see in here
It's like provda level in terms of the propaganda
And that's why I think rfk jr. Is so interesting is because he is
Blowing up what the mainstream media wants to control the really interesting thing about him going to the border
I agree with sacks is hey
Let's just have a discussion about this and look at the actual facts on the ground that we can agree on
And what he actually did was he pierced the veil of like this is an issue about a certain group of people
He was there and there are people from afghanistan china all over the world coming in
He made the point that this isn't just about one country and that these people are suffering
And that I thought was like another really important highlight
These people are being trafficked. They're you know being abused at the border and that
It's going to cost us 10 million a mile to secure the border
We're talking about it and he's done this with ukraine as well where he emphasizes the humanitarian aspect of it
Yes, and it's a good way of talking about it. And I think republicans should adopt some of that
Be rhetoric and to chumat's point. I think it's it is I think it's a money grab chumat
I do think it lowered death rates
But you know, I do think piercing the veil on this and none of us are still getting boosted because we know they don't
Guys guys, okay, let's keep moving. I'm not debating vaccines and politics. We're moving on. We're

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

going to talk about crypto

So this week the sec there we go serious action

against uh, binance and coinbase

You know pretty significant pretty loud sec filed 13 charges against finance entities and the founders cc

charges include operating unregistered

securities exchanges broker dealers and clearing agencies

Misrepresenting their trading controls and their oversight on the binance us platform and the unregistered offer and sale of securities

The next day they saw it a temporary restraining order to freeze binance's us assets

and then on tuesday the sec sued coinbase

Over their exchange and their staking programs stock dropped 12 percent the sec said that

The company was operating an unregistered exchange and broker and that 13 of their assets listed on their platform were considered crypto asset

securities

Brian Armstrong

Obviously has been on the pod several times said he's not shutting down his staking service and said regarding sec complaint against us today

We're proud to represent the industry in court to finally get some clarity around crypto rules

He's generally made the statement that he has tried multiple times to register with with the sec

They have not had a mechanism for him to register

They have tried to do everything by the book and that the sec

Approved their IPO filing knowing full well the details of their business and their operating model

And still allowed them to go public on a u.s. Securities exchange

Despite full knowledge about their business jamat does anything change this week based on the sec's action or is this just a continuation?

of

You know crypto has been

Um rolled back and will continue to roll back here in the u.s.

Or is this something new and a new action and opens up a new front on the uh the government versus crypto

It's a good question. I think there's two ways to look at this one

Is the conspiracy theorist way which you see a lot of on?

Twitter which is this idea that crypto is making all of these inroads

As a replacement mechanism for fiat currency and so governments are really now invested in trying to shut it down

I think that's

Largely untrue and then there's the more simple basic reality

Which is that there was one part of the sec

That frankly didn't do the job that they were supposed to by either allowing a few of these crypto companies or crypto businesses

To go public either as standalone businesses or as part of other businesses. So coinbase, robin hood, etc

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

And then there's this part of the enforcement action after this ftx fiasco, which is a lot of cya
Covering your ass by the sec
Especially because it looked like they had some cozy relationships with them
And so they're coming down hard and they're going to go and systematically dismantle
The largest actors and they're going to go through the value chain. So I think the obvious place that
they're looking now are
The exchanges they'll look at the custodial services
They will not approve any ETFs
And then eventually I do think it trickles into all of the staking services
And eventually I think it'll touch the venture community and all of those firms and funds
that had a huge robust business
in staking
These crypto projects in order to get coins like founding coins and then being able to sell them
jake
I mean, I've been talking about this since the beginning because I
bought bitcoin and wrote about bitcoin when it was maybe 25 cents and
Then again when it was a hundred. So I've been following this for a long time and I think
Thinking from first principles to stepping back for a moment
You know what we do in technology is fundamentally disruptive
If it's at its best if it's truly going to be important in the world
And when you hear that word disruption you kind of file it as a buzzword
But what it really means at its core is like competition and it's not just
Competition disruption when you say disruption you're talking about existential competition
Two people go in the ring one person comes out like somebody's going to get really fucked up
And if you people keep bringing up, oh, you're an investor at uber. They broke the rules. They bent
the rules
Uber was going against caps airbnb was going against like hotels
We work was going against like long-term real estate leases
When you look at all those disruptive technologies and what they did at their core
they disrupted
on behalf of consumers
And lowered prices increased choice, etc when you get crypto
The crypto crowd literally said we are going to replace fiat currency fiat currency
Is the government and so my thesis from the beginning was if the government has a way to stop this
They do not want to be disrupted. What what is a government at its core?
It's a military. It's a bunch of rules
laws
And it's money
That's the kind of pillars of any government's power
We knew the government wasn't going to give this up
and
You know they they after round and found out but the truth is the and and this is where I have some
sympathy for the

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

crypto people

Not the people who are just committing crime with the hallway and just dumping these bags on retail, etc

But we do want to have this innovation here. There are some innovative aspects to it

But gary gansler said listen, you already have electronic money. It's called money in the united states

We already have these services. You don't need this consumers don't need it and

You have to understand the sec's function in the world to understand why they're taking this action

Their function is to protect investors

Investors lost a bunch of money. Therefore, they are going to retroactively inflict pain and hold people accountable

for

Their mandate which is to protect investors. You could have easily resolved this the sec and the

Companies could resolve this the companies could have followed these things as securities and only allowed accredited investors top 5% of the country

People will make over 2 inch k a year

They didn't do that. They said anybody can buy these well

That's just not how it works in america and it should change

I think everybody should be able to buy any security they want in america just like anybody can go play blackjack

And the easiest solution for this just passed in congress this week

And we'll go to the senate and be a law soon

I think allowing every american the other 94 to take a test and become accredited if that happens

You take a test just like you take a driver's license test. I know what diversification is. I know how risky these are

once you take that 50

Question tests you become accredited and then you can buy these coins if you want to and that's really the easiest path to resolution here

So we don't have brian armstrong move his company to the middle east or

You know an island in the caribbean, which is what he's going to do. I predict so okay. Well, look we've seen

This bill make its way. I think through is it going to the senate next or is it

Going to the senate. Yeah going to the senate next. So let's see if it gets done

I think it's a it's a good point one thing i'll point out

When individual investors were making money

Because all of these asset values were inflating all of the coins were growing and were climbing in value everyone felt good

There was an emergent cry

That we all want to have access to these new instruments

We all have a right to make these investments and to own these assets

And then as the asset values declined and individual investors began losing money

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

The emergent cry is where was the government to help save and protect us?
And so the sec I would argue was probably
A little bit hindered when the market was inflating in being able to step in and take action because that would have been
Counter to the cries of the retail market
But as the retail market took their their hits
The sec has to step in and congress steps in and everyone starts to say it's time to act
We should have acted sooner and this was you know, fairly predictable. I think what's happening is more nefarious than that
so
The sec is doing two different things. They're they're alleging two different kinds of
Crimes one set has to do with protecting
investors from having their funds
Stolen on these exchanges or at least commingled ftx did that right where they basically took customer deposits and stole them
What binance is accused of is taking customer deposits? Maybe not stealing them but commingling them with company funds
That should be looked at and and I think crypto customers should be protected against that
However, the case against coinbase they're alleging a completely different set of facts
Which is effectively what genzler and the sec are saying is that it is not legal to operate a crypto exchange in the united states
That is what the sec is saying
Because coinbase has basically done everything right and I believe that genzler is far exceeding his authority and stating something like that
It is not up to the chairman of the sec to say that americans should not be holding crypto
Why as a free people should we not be able to buy crypto if we want to
You know, why shouldn't we be able to buy bitcoin now? Maybe you apply rules around Accredited investor status. There should be protections against
Unsophisticated investors buying stuff or getting defrauded. That's fine. That's the framework that brian armstrong is asking for
but
Everyone should understand what the sec is doing right now is
Basically usurping congressional authority
It should be congress that makes the law if congress wants to ban crypto exchanges in the united states and prevent
The citizens of the united states from owning crypto let congress do it
It should not be up to genzler to do that and the question is why is genzler going this far
When previously he had relationships in the industry apparently
He was a consultant to finance and even worse
He was talking to ftx about giving them some special status and I think the reason is the the scuttlebutt is that
He has an alliance with elizabeth warren and the rumor is that you know
She will make him treasury secretary if he basically destroys crypto in the u.s. Sorry

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Where's the evidence for that? That's just someone's rumor and speculation. There's the scuttlebutt in the industry

Okay, so it's someone

This is in fact the back channel. So just to be clear rumor and innuendo is what you're saying

No, look what I would say is clear is that genzler and elizabeth warren have an alliance to destroy crypto in the u.s

This was speculated about before with operation choke point, but now it's clear

They're trying to shut down operation choke point. We've talked about on the show before it was a series of actions taken

What you do when you're in a hotel at night

Operation choke point was a series of actions by the u.s. Government to basically destroy all the on ramps to crypto

So you couldn't get money into the system now

They're going further and they're basically saying it is illegal to operate a crypto exchange in the united states

So genzer

Yes, it is

What they're saying is it's not just the exchange. It's that the exchange contains

Uh, unregistered security. So it's a more nuanced point. I think

Like I agree security. Could you trade?

Well, if it passes the howie test or it is registered and there are people who have actually

They're saying that no crypto passes the howie test. Nope. They're going back on that

You could pass it if you limited it to accredited investors and the fact is

brian armstrong

Binance and a lot of crypto projects refused to exclude

Non-accredited investors and I watch this happen up close and personal

You're right about the unregistered securities thing. They're trying to say that all crypto is unregistered securities

No, no, they said

No, no, they literally they named them sacks in the in the lawsuit. They named the 16 or 13

What was it frieburg?

So they they know how to it was 13. They know how to craft this they're saying for these specific 13

Now the industry does feel you're correct and the back channel is everybody's against us

But if they had just registered these

They were not a problem. I don't think they're gonna

I think wasn't wasn't included in this. He doesn't have a way of registering

They do they don't want to so they claim they don't have a way of registering

They could register it just like we all do when we have private securities

A lot of people tweeting about this that the sec has put out statements saying our door is open come talk to us

There is no open door. There is no one to talk to they have no idea how to get registered

How do you think this is going to get resolved armstrong's talk publicly about going to congress?

To try and get some clarifying law passed. Are you familiar with any of the?

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Any of the drafting that might be going on to support his cause here or do you think it's going to get settled in the courts?

First of all, I think I think brian armstrong is is a really really really good entrepreneur

And i'm a really big fan of his

That said, I just don't think that there's a lot of political support

To visit this issue right now

And so unfortunately i'm pretty

skeptical that you're going to see

any form of legislation pass

I unfortunately think that

The sec has by and large put the entire sector into mate and so I think that

What jason said

Is largely right which is that it's going to force these companies to preserve enterprise value to to leave

the united states and to jurisdictionally operate from a different place and to

basically ip block and ip gate us

Residents from using their products and services

I also think that they're going to have to pay large fines

And so the only thing that'll be left is to adjudicate

All of the staking stuff that that happened and whether that was right or wrong right so the court it'll get settled

It'll get decided. I agree with that and I think I think that when you start talking about minutiae like well these

16 cryptos are okay or not okay?

No, look you're kind of missing the point the government led by gensler isn't a full assault on crypto

And the goal is basically to either destroy it in the u.s. Or drive it offshore

Chamath is right about that and the question is why and I think jacow you made the point that

progressives like elizabeth warren

see crypto as

Competition to fiat currency and they do not want there to be a competitor now. What is the reason for that?

I think it's because of their radical spending schemes

Remember in the first two years of the bind administration

The progressives wanted a four and a half trillion dollar build back better bill remember

larry summers

told them that you're going to cause inflation and

Even the 750 billion dollars scoped down version that they ultimately passed caused a lot of inflation

And it caused the problems that we have now that we're seeing in the economy

But they wanted four and a half trillion and when people were opposed to and said we couldn't fund this

They were in favor of minting trillion dollar coins

Yeah, so these these are people who don't want any check

On their ability to spend down the full faith and credit of the united states

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

They would basically spend all the money that we have they would basically eat the seed corn
Or don't have

That we don't have that I think you guys agree we should not be spending

And that is why they're the faction in our political system who are most against crypto

The two things can't be free berg. Hold on. I gotta I gotta respond to two things can be true

One the government doesn't want to give up control of fiat. I agree with that

The second thing that's also true is that this group of people did not want to play by the rules

They knew the rules. They explicitly broke them for profit. That's why they have them dead to rights

You can name this operation choke point. You can brand it. You can put out any conspiracy theory
you want

They did have the option

You agree they're trying to run these guys out of business. I said two things can be true at the same
time david

This is a tolerance for ambiguity being able to hold two thoughts at the same time

Let me give you let me give you a and they don't want to give up control fiat. That's what's
happening

That's the rule. You have to follow the security. You have to only allow credit

You said that coinbase was a good actor

I believe they have good intentions. Yes. I don't believe the other people do

I do believe that coinbase is in violation of the law

I believe the securities they're trading are in violation of the law and that's obvious if you but I
believe that law should change

Let me give you a cure point are

Securities, okay, jay cal. Let me give you a third point and sacks

elizabeth warren she may be motivated by the intention to preserve
the authority of the fiat

But is it not also possible that a large number of people lost a lot of money?

That they worked hard for and they used to buy crypto assets

And then the value those assets went down and those people lost a lot of value

I had there was a group of guys that are house painters that painted my house

Two summers ago and they painted the whole house. They were here every day for hours every day
so I got to speak to these guys

And these these guys were house painters, you know, they they work for an hourly wage

They do fairly well, but every lunch break every break they got

All that they would talk about with one another was what cryptocurrency they're buying and trading
in and out of

With the whole intention of making money

They all believed that they had a good point of view because they read something on the internet or
got some tweet

Or got some text or saw something on tick talk about this one

Crypto asset or this crypto asset and they were trading in and out and all of the money

That these guys worked hard for was being invested in crypto assets. You're right. That set of facts is
not great

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

However, I don't think that's the motivation. I think the motivation is to basically end crypto
As a potential competitor to fiat money in the united states
That's the motivation and they're going to use those fact patterns to basically build public support
that because look
Because we could handle that. Okay. We could do the accredited investor test
There should be a framework or set of guidelines under which it is legal for people to buy
And hold or trade crypto in the united states and that's all that brian has been asking for
Is give us a framework and genzer is not giving a framework. He's just trying to basically put them
out of business
Okay, look, I think we've gone around this topic. This has been a great conversation. I'm going to
move forward
to the next topic which I think is
Really interesting
in the vein of both
De-globalization but also, you know the scale at which venture firms have gotten to sequoia decided
This week and announced publicly that they're splitting off their china and india slash southeast asia
funds
as you guys
Obviously, no sequoia capital is a venture capital firm and within that firm they manage multiple
funds
Some of the funds that they've raised and managed have been
Specifically targeted in china where they have 56 billion dollars. I don't know if this number is
accurate
But that's an incredible number
56 billion dollars of assets under management focused just in sequoia china
and then they have a sequoia india fund
Which has about four billion dollars of capital raised in just the last
Three years and now they are separating the management company and the oversight of those funds
Into separate management companies. So sequoia
Capital will no longer oversee those china funds
A new firm has been formed called sequoia china
That is now owned and run by a separate management team based in china
And sequoia india is now called peak 15 partners, which is owned and operated by a separate team
of managers out of india
Roll-off botha will manage the u.s. And european sequoia capital
Neal chen will oversee sequoia china and chelendra saying neal chen. I'm sorry neal chen
And chelendra sing will oversee sequoia india
I guess this is a question of did sequoia get too big or are they caving to pressure?
Of the political issues arising with having deep relationships and ties with china
Or as they have said a lot of competition between these different portfolios and companies within
these portfolios amongst each other
Chamath, what's your read on the action? Is there anything to read into this and anything to
extrapolate from it?

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Well, it's been a parade of missteps for sequoia in the last couple of years and I'll let sequoia figure out who to blame for this. But the reality is they

I think felt a lot of fomo post softbank

They raised this large mega fund that kind of straddled all of the sub funds and straddled all of the regions and so

They dangled the carrot of trying to get into the early stage us fund by investing in this big mega fund that also had china and india exposure and growth exposure

Then they tried this like

very convoluted evergreen

Structure right before the market fell apart where you could basically become a permanent capital vehicle and

As far as I can tell from the outside looking in

it just seems like a

taxed tax play for the gps to not have to

sell and realize capital gains

But that only works when the stock market keeps going up, which it didn't and then it's summarily

Crushed tax stocks 80 or 90 percent. So that was a misstep

And then when you put all these things together

Now that china is contracting and we've said this before I think china is largely uninvestable

For the next 30 or 40 years

It just makes sense to jettison

Now I will say though that neil shen is elite if you consider

In investing I would say I have a simple rubric

Anybody who's made more than a billion dollars for themselves as an investor. I consider elite neil shen is elite

And so he'll do just fine

Running that sequoia

china business

I was surprised about why they would allow

India to leave there's nobody that elite at sequoia india by that rubric

But india is a country growing at six percent a year. It literally looks like china in 2008 and nine

And so i'm not sure why you would let them leave

I think that you would want to attach them to yourself because it makes the u.s. business look better

You probably gets differentiated and smoothed out returns

But I think this is a little bit of a view of of competition chumat that there was competition between the different portfolio companies

And it was leading to conflict but

I mean that's dumb that happens in the united states

Sequoia has always been known to fund everybody that they think will make money no matter how much they compete no matter where they are

So when they back when they back youtube and moritz was sitting on the board at google and sure

Look sequoia sequoia as an organization is elite. They're there to make money for their lps period

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

end of story

And so all of the other words that can go in any press release

Basically, I think try to hide the fact that this is an organization that's had some missteps

They're not on solid ground. They've lost a lot of money and they are trying to figure out what to do next

I however if I was running that organization would have probably done nothing

And just let the dust settle

And I think that all of these actions are too close together and it's a little bit to me

Of flailing in the water and so I don't think it was a good idea

To let india leave. I think it made a ton of sense to cut china

But I think all of this stuff happened started happening a few years ago

Starting with that eight or nine billion dollar mega fund that they raised to try to compete with softbank

sacks any read on this

Yeah, I mean, I think it's a example a prominent example of decoupling and de-globalization going on

So I agree. We have to treat india and china separately with respect to china. I just think it's become harder and harder for americans to do business in china

Both because we don't really have the visibility into that system

And there's too much political uncertainty. So kind of to chamois point about it being

Increasingly uninvestable, but I also think that geopolitical concerns. It's just very hard to straddle

Those concerns now because the geopolitical competition is heating up so much

I think it's investable for people like neil shen who are insiders in that system

So I think you know elite chinese investors can I'm sure make money in china over the next few decades

But I think it's just too hard for americans to figure that out. So I think

Them parting ways makes a lot of sense. I think it's going to simplify sequoia's life a lot

India I

I agree with chamois that that's sort of a different question because india is going to be a huge growth economy over the next few decades

And they are a us ally

So it doesn't pose the same geopolitical risk

But my guess is that it was just kind of unwieldy that

it's too unwieldy to

kind of merge funding sources and firm management

Across two firms that are really pretty different right the us acquired firm and then this indian firm

So my guess is they just decoupled because it was just getting too hard to manage

And if you're an lp, don't you just want the ability to say, okay? I'm going to allocate this much money to india

I'm going to allocate this much money to the us. I think lp is probably like it too sequoia china is frankly over the last

15 or 20 years as good and probably is numerically better than sequoia us

So that was an elite organization just by itself sequoia india

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

I don't think has much to talk about and so maybe what roll-off decided is this team is just not very good
So we might as well just cut it and we can revisit it later
They probably have some number of years of a non-compete and then they could come back into the market five years with a totally new team
And that may be easier
So it may be easier just to just maybe the team actually wanted to be separate
Look, it's hard to cross returns from two totally different funds, right?
Because one side one side's gonna be unhappy with the trade, right? Yeah, that's right
I can give you the jcal's got actual information to share
Well, no, I mean, I have the closest I think I have the closest
Investor in your company, right jcal. Well, I'm an lp and their funds and they're printing money for me
They back my second startup rule offs on the board of that company is still with me and I was their first scout
When they started the scouts program, which is the highest
Percentage performing fund. I think they ever had sequoia is 20. You're our you're our resident captain america. So as a patriot
How do you feel about the well they are put that aside?
Sequoia is 20% of the nasdaq. This is the greatest venture firm of all time hands down and the sequoia fund
Which chamath referred to companies. They've invested in
Companies are 20% of the nasdaq
And so the reason the sequoia fund came out this evergreen fund
was because a lot of their lps wanted
sequoia to manage the public equities
Going forward because they didn't want to sell them because they realized bullshit that
The massive gains the gains from google
apple, etc of these
Investments that they did when they were private companies sisco the gains from public forward
were greater than the gains in private
And i've been in on these presentations. I've sat through them
with the sequoia team and so
When you manage those public ones, we've all talked about the denominator problem here
The denominator problem is hey, are they venture returns or are they part of the public equity?
So at a giant endowment they want to put them into the equities bucket get them out of the venture bucket
And sequoia are an opportunity there to manage this evergreen fund
I'm sure there are tax advantages to it, of course
But with relation to what they did in china and india these these were incredibly
prescient and
innovative things they did in 2000 and 2005 when they started india and then china was 2005 i
believe

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

They found domestic teams you need domestic teams to do this properly especially in places with different governance and different regulations
And it gives them autonomy. They were incredible investments
But what's happening right now is
All venture investments because of ai and chips and the decoupling with china are now under massive scrutiny
So they can say there's brand confusion. You can talk about
You know the collisions and who's going to back this chinese entrepreneur and indian entrepreneur who also is operating in the us
Right these businesses operate in the u.s. And so what really is happening?
Is the government is going to stop all u.s. Venture investing in china?
That's what's going to happen in the coming months
And so they're just getting ahead of that and now they will compete
And it really has to do with chips and ai you may have seen some of these stories
And nobody's going to invest your if an american invest in ai in china
That's going to be banned and the same with chips
Yeah, you're right
There are a bunch of stories about whether u.s. Investors should be investing in ai in china and people are saying this was
Unamerican because it was basically going to give china an advantage against us in this key industry
And i think that point is a good example of what i'm talking about with the geopolitical concerns
It's just getting too complicated. Yes for americans to invest in china
It raises too many geopolitical concerns and i think sequoia is massively simplifying its life
By just splitting these things up and being out. Did you see keith for boys tweets on this? Yeah, that's what we're referring to
Yeah, keith for boy tweeted basically like it's unamerican to invest in china at this point
Yeah, we've talked about this before i mean look the the chinese relationship primarily used to be seen
As an economic relationship and people are looking for win-win
Basically trade scenarios and it was not seen as a moral to invest in china
Now the relationship is primarily seen through a geopolitical lens, which is to say the balance of power
Which is a zero-sum game
It's about you know, how much better is the u.s. Doing how much more powerful is it than china and anybody who's perceived
As helping china in that rubric now is looked on skeptically within united states about that
Well, like i said, i don't think that's going to change
So i think sequoia is doing the right thing to kind of like i said simplify its life
But what's your personal opinion i'm curious
i think that
It should be possible to do business with china without it being seen as either unpatriotic or immoral however
There are strategic

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

technologies that are just going to be i think
It's too hard and too risky
To um to be supporting china and chips and ai
Yeah, i mean look if somebody is using chinese manufacturing to make toys or clothes
I don't think that's fundamentally
strategic in a geopolitical way
but
if you're helping them make
The next generation of chips
That's going to raise a lot of questions
So so a vc firm freerberg can't take out chips and ai from their investment hold on hold on
I want to say something because sure this reminds me of when benchmark actually had benchmark
europe and then they cut it
Do you guys remember that yeah, i do yeah and kind of retrenched they weren't retrenching from a
position of strength
They were retrenching to reestablish themselves after a bunch of missteps
so i think typically these retrenchments happen when there's a little bit of internal chaos and
Mismanagement and underperformance. That's not the case here. I can assure you
Yeah, but i actually think retrenching is good because it simplifies things
You want to simplify yours? Yeah, i i totally agree with you my point is when i saw
That overlay fund i was like this is questionable
But then when i saw that weird evergreen fund that to me just seemed like a tax arb
And i thought to myself as a person who's looked at this exact stuff for my own stuff
What i did was i just converted it to a family office
And from a tax perspective it was much simpler
But that exact same structure i looked at for myself and the reason that that structure exists and
jason
I know you want to think it's because these endowments want them to manage public equities
I still work with a few endowments and pension systems. They don't and the reason they don't is
they're not allowed to
They're not allowed for concentration purposes. They pay other people to manage it
They have these outside consultants and for fiduciary perspective
You have to do all of these things with respect to managing risk and one of the most obvious things
that these foundations do is
They get distributions and they sell they don't hold and so the reason why you'd want to look at the
Long-term gains of a stock that you distributed is because the gp sold too early
Not the lp
And i just don't i'd think that you should not just be a blithe surrogate on this topic and actually
really think about it
Well, i mean, i don't think you need to well i'm not i'm not and you know square if you look at
something like that
You know rule off still on the border square, i believe so they sequoia has realized over time
You know as it's been explained to me as an lp

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

That you know these companies grow
The outliers continue to grow massively when they become public
And sequoia is now staying on the board of those companies
And so they actually have the most insight into it because they backed up when it was two people
And then they're still on the board. That's not the point money is not infinite
And if you're a foundation and you're legally obligated to distribute some percentage every year
You need the money back and the foundations do get to choose
Some foundations want to go along harvard or whoever i'm just picking you know one of the large ones
If somebody's got 30 40 billion dollars, they may not need to liquidate that and they might very much
I'm just i'm just telling you the only person that is in a position to actually hold for the long term
because it's so tax advantageous
Is the gp
That is why that fund was created and i will bet you
If you ask him under oath
Why they did it?
I'll tell you it was for themselves
Like i will people have the choice a million dollar for charity whatever you want to do
I bet you if you put him under oath and you say p&m and you ask him why he did it
He'll say he did it for himself and that's fine
All i'm saying is that's the kind of complexity that sacks is talking about that does not add to success
It is over-complexifying something that doesn't need to be complicated
Yeah, i disagree with you, but we can just move on. Well, we agree to disagree sometimes here on
the all-in podcast
We're gonna move on for our last topic of the day with the
Announcement. Can we talk messy? Can we talk messy? No, no, no, we're not because we're gonna
do one last topic which i think is
Pga and messy go together. Yeah, so let's just talk about the pga. Let's do messy in the pga
No, we don't have time guys. I appreciate the messy interest, but we're gonna talk about something
less messy or even more messy
Who cares?
I actually think it's pretty interesting for a couple of reasons
So as you guys know the pga tour has been around since 1930
I think the pga tour makes 1.6 billion dollars a year if reports are correct
I make 1.6 billion here boring. I mean depends on the year
All of the players on the pga tour
Are independent contractors. So, uh, saudi arabia's public investment fund
And this is what I think is one of the more interesting aspects of this story
And maybe speaks to a broader kind of set of geopolitical
Transitions that are underway the saudi arabian public invention
Public investment fund started liv golf as an alternative to the pga tour live golf
Live golf they invested two billion dollars of of capital and offered
Guarantees to golfers to come and get on their tour. They ended up

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

offering at one point tiger woods reportedly got a 800 million dollar guarantee
To join their tour which he turned down phil mitchellson got a reported 200 million dollar guarantee
Which he took to join the tour. Hideki matsuyama got offered 750k 750 million which he turned out
So seven of the 10 top paid golfers in the world actually signed up
And um, it caused obviously significant disruption to what has effectively been a monopoly
Which is the pga tour in golf in professional golf
And uh, here we are two years later and it was announced this week
That live and pga are merging and the current pga tour commissioner jay moinehan will serve as ceo
of the new entity
Just by way of reference jay moinehan makes a reported 14 to 15 million dollars a year in salary as
ceo
of the pga tour
He will now be ceo of this combined organization
One big question mark is how much is he getting paid and did that help?
Secure and solidify this deal getting done
But I think another big question is do we think this will actually close?
Will this face regulatory and antitrust scrutiny?
Will this face syphus because it is the saudi arabian public investment fund that is effectively taking
a large stake
in the pga tour
Let's go to our resident professional sports team owner or former minority owner chimoth
Any takes on
On this announced merger. What does it say about the pga's ability to hold action?
This is what's so crazy about your topic selection
Messi was offered 1.6 billion dollars personally by the saudi's and you don't want to talk about that
because you want to talk about a
Whole organization playing an antiquated sport that itself generates
1.6 billion dollars
Welcome to being the moderator
What's your point?
I don't care about golf. I don't care. The reason this is so controversial
is
That they're calling it sports washing trying to make the reputation of saudi more palatable in the
west by
Using sports things people love
The reason this has become controversial is because of the hypocrisy of it the pga fought against live
and
This guy j mohanahan who is the CEO of this?
He basically evoked the 9 11 families and went on a whole thing about how evil live was
Only to then secure the bag and then there's some backchamber here about
Well, there was a lawsuit between the live golfers, you know
Who are now banned from playing the pga when they signed up and antitrust stuff and so
The hypocrisy of the group is what's being pulled into question here chumad. This is why it's

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

important because

The the players who took the money were ostracized

As supporting an evil regime

And now it's clear that they were smart and tiger should have taken the money

And actually the guy who said as much at the time was was trump, you know, he

You know, he's one of these. Yeah, he nailed it. It's like one of these

Once again

Once again, he's

He's basically said that take the money from live because eventually live in pga are gonna merge and then the guys who stuck with pga

Are gonna get nothing and they're gonna feel like idiots. He was totally right

He split the arrow again. Come on. Come on. You don't think that that's insane. I mean, come on. It's pretty amazing

Tell me when you get to messy

And the fact that these guys were proclaiming that if you're gonna go join this tour, you're joining, you know

You're lining up

I don't understand whether I don't understand whether you're naive or dumb

This is like about money. It's always about money professional sports has always been about money

What what what are we what are we talking about?

Money money money money money. There's your answer money drove the answer money drove the split money drove the deals

Now money drove the merger. I don't understand. Can we talk about messy? Please? It's so much more interesting

Okay, go talk about messy chamath

I mean the messy thing is so incredible

Because christianna ronaldo

Went to a team in saudi

To play in the august of his career the last two or three years

And this has been a thing that started with pelle in the 70s pelle came to the new york cosmos and played

Beckham famously did it as well came to the la galaxy

But beckham did this one interesting thing which is he said, okay, i'm gonna come to play in the mls

On one condition really which is i'll take a huge pay cut and all of this stuff

But i want an option to buy an expansion team for 25 million bucks

Fast forward he ended up buying inter miami

That team is now worth 585 million dollars

So messy is 36 years old. He's about to enter the august of his career. He's won everything. He's done everything possible

He is so incredible. I mean, I love him

I love him

He gets offered 400 million dollars a year for four years to go playing saudi arabia a 1.6 billion dollar deal

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

And you know, there's no income tax here. So that's like 1.6 billion dollars right in his pocket
Except the deal that he did
Which was for a lot less upfront
is really interesting
He basically said i'll come to the united states and play in inter miami
for the miami football club
but
I am
You know, basically i'm not sure he said this so i'm using my own words. I'm the greatest player in
the world
Every time I do something magical on the field
I'm creating content that will sell tickets and create brand awareness and move the interest level of
soccer in the united states
i'm a content creator
So I want a piece of this content
and so apple
Who signed a two and a half billion dollar 10 year license for the mls said you're right
You're probably going to sell more subscriptions for me. I'll give you a piece of the rev share
And then adidas said you know what you're right. You're probably going to sell more shoes for me.
I'll give you a piece of those shoes
So in one fell swoop. I think what's amazing is
Messi is not an athlete in this deal. I think going back to a theme that we've talked about a lot is
he is this
Ultimate pen ultimate whatever he's an elite content creator. He's the equity
Who is now creating?
Incredible who will come to the united states to create this incredible content that will move
viewership move merchandise
And he's going to monetize that
So it's effectively like becoming the jordan brand getting a piece of netflix all in one
He has the equity in those businesses basically. Yeah, this is subtle point shaman's making in the
deal
You have the person who's responsible for distribution. So this would be the same as like the nba on
abc
espn or tnt and tnt or espn saying, you know what you're so important lebron james to play in this or
stef curry
We're going to give you a piece of the subscriptions to espn
So apple is giving him rev share on their apple tv league pass for mls
That's nuts like and this is I think it goes back to the live
Deal with pga, which is people are looking at these sports leagues and saying let's get creative
It goes back to a different one the the nba just signed a new collective bargaining agreement that
they're going to ratify
I always thought that the real thing that the nba players association should be asking for equity
Was equity? Yeah, and that equity could be phantom equity in the teams because it's clear that in

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

the absence of the players
There's no viewership and there's no appreciation in the value of those franchises
And so the idea that lebron
You know stef
drae kd
Don't own a huge piece of the underlying equity gains that they're creating in the period in which
their players is pretty crazy now
The ownership their perspective is while we translate that
In terms of rev share, but it's really not true because if you look at the
Kager the irr of the franchise values versus the kagering of the salaries. They're not equivalent
Yeah, so I just think it has huge implications
To all the professional sports leagues because these big stars
Should be asking their agents and their managers. How do I do a deal like messi? I am the ultimate
content creator in my league
The dynamics are changing it will it will no longer be an employee capital labor situation
But capital is merging with labor
And labor labor is basically becoming the equity in the equation and they are getting a piece of the
business
Just like and that's all about and we're and by the way the reason we see it happening so much
Is because of the social media age and it's really incredible. It's but one thing guys
J.K. I know you have more to say we all have more to say. I just want to highlight. I need to go
I have to go to a kindergarten graduation. Congratulations
Congrats. I'll close the shuff you. I love you guys. I'll see you later. Adios. Love you guys. Congrats to
your kid
Thank you. Bye. Well, what's really interesting
Chamath to your point about the cba is they're going to make these huge salaries
They're not going to give them the equity as part of
their
Five-year deal they make the money
They then have the ability to invest in a team
So you could be LeBron and you could be investing in the nicks
Maybe if somebody wanted to sell a percentage of it you can invest in any nba team
Any sports betting team any sports betting? I actually think there's a simpler way to do this
Which is it's I think it's fair to say that when you join a team
It's like joining a company. Yeah, and you can create shadow equity and that shadow equity says you
came in at this point
Right, you left at this point
Here was the delta of the value and I think a good agent should be negotiating on behalf of a player
Most players will not get that much a few basis points of that value
Yeah, but the idea that a LeBron James can go to a miami and double the franchise value double
Yeah, right from you know one or call it
Or step step steps a better okay great stuff comes in at 480 million and is now 5.3 billion
So that's a 10xing plus of value

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

You know is step responsible for 10 or 15 percent
Should a billion dollars of that go to step dre and clay. I think you can make a great claim that it could
Yeah, absolutely put them on the map. So yeah
It would be and it would be pretty easy to do and what this might do is keep people on the same team longer
Which is what fans want exactly why people moving around that's a great point and private companies like cargill or coke industries
They have these shadow equity programs that they've had for years for decades that they've run on behalf of their employees
So we know how to run
Phantom equity programs in private businesses
And I just think the leadership of the nba players association the nfl players association
Is right now still lacking the sophistication
To understand this well enough to then propose
When the next time it is to to negotiate this kind of a deal, but when you see things like this messy deal
I think it's a game changer. It is a game changer. And I think for sports
I don't know if you saw
Adam silver gave you know a little press conference with the finals and everything and he was talking about the jay moran
Moran situation with the guns it's just a lot of like topics coming up
But one of the topics that was probably under appreciated was he was talking about the bundle the cable bundles going away
And that people can't watch like the tnt
nba on tnt whatever that is with you know, charles barkley, etc
and
He wants that to be available for free
So he's going to challenge people the new tv deal if you want to have the nba
You have to have it available to everybody because the number of people who can see nba games has been going down
I have a question for you because it's more people
Do you think more people would pay for a subscription to watch the nix games?
Wherever they happen to be all over the world or a subscription to watch step hurry no matter what team he plays on
The old generations are loyal to the teams the new generations loyal to players
So it's a generation numerical numerical question. Which one's great. It's probably
A jump ball right now, but it will eventually be the follow the players
Because this new generation follows players like our kids like
I don't think brawn from I think I think I think you could probably sell
A few hundred thousand subscriptions to the nix and I think you'd sell mid millions for step
What's going to happen now is I think they're going to they just want this to be ad-based and to directly subscribe

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

So I directly subscribe to the nba. I get every game for 200 dollars a year with no ads
You know what we should do. I actually have a great idea. What we should do is we should what
lived did to the pga
We should do to the nba. Let's get together 20 billion dollars
Let's start a competitive nba league where we give the players all i'm serious a structured phantom
equity plan
Pay these guys a hundred million bucks a year get all the big guys to come everybody else will come
And just blow the whole thing might open by the way
That's the blueprint now if you want to really compete with the with the nfl or the nba or the nhl
This is what you should do put together 20 or 30 billion, which is not that much money
And go for it. You only need to get a couple of stars to to blow it up
And if you give stars the equity in the league they'll convince all the other players to come
All right, let's give sax some red meat here. You sax will give you a little red meat. You want tucker
on twitter
Here's your red meat choices as we wrap you want tucker on twitter
you want
a russian controlled dam being destroyed for a major flood
or
Do you want chris christie joining the race? Which red meat would you like?
Which red meat we put in front of crazy here
Well, I mean what's happening ukraine is really the big news this week. I mean
The ukraine encounter offensive has started in urnist
And yes in conjunction with that you had the destruction of that major dam
Which it's not clear who did it. I mean both sides are pointing the finger at each other
so and there are
reasonable arguments for why either side may have done it in terms of who benefits it seems to
benefit
the ukranians more because
the destruction of the dam washed out a bunch of russian defensive fortifications and
villages of russian speakers
on the other hand
The russians were in control of the dam
So it would have been easier for them to carry it out
If they had wanted to we just don't know but I think you know events have now moved beyond that
And we are now probably in the third or fourth day of of the ukraine encounter offensive
Of course has not been officially declared, but there is
major major fighting happening now where
ukrainian armored divisions are seeking to
You know penetrate russian defensive lines around zapparizia
And so the long awaited ukraine encounter offensive has certainly begun
how does the
The dam relate to the nord stream pipeline because these are both situations where people are like
who actually did it

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

What's their motivation and let's face it these are chaotic actors at times
And figuring out who has the motivation to do these things
Seems like a leveling up kind of game because you can't put it past either party in some cases
but in the case of nord stream
People saying hey, it was the ukraine
But then there's this argument that the ukraine is not capable of doing it
Or maybe it was sanctioned by the us or the west and then executed by ukraine
Where do you wind up with all these so on on nord stream?
We're now on our third cover story
The cia sourcing their stenographers at the washington post have now claimed that it was six ukrainian dudes in a yacht
Who blew up nord stream?
No, seriously, and if you look at this boat i'll put a photo of the boat on the screen. It's it's pretty silly
Yeah, the ukrainians do not have a navy and they certainly don't have navy seals
I don't believe they have the capability to
By the way, this destruction of nord stream nord stream was this huge underwater steel and concrete
Structure it's not that deep though because it's only a 150 or 200 feet deep at the lower points
It's deep enough and it took a lot of explosives so they had to know what they were doing
So i i dove 120 feet once so it's but the point is that when when nord stream was first destroyed
The media rushed out to say well the russians did it even though the russians had no motive to do it
It was their pipeline as they're a pipeline. They could just turn it off. They wanted to
But this is what we hear is that every time something destructive happens. It's the russians did it
Why would they attack themselves because they're so crazy? We heard this with nord stream
When belgarad, which is a russian district just across the border from ukraine was attacked
It was claimed that the russians did it these were russian insurgents. No, that's pretty silly
It was ukrainians dressed in russian uniforms and just recently when they were drawn to attacks on moscow
We were also told that oh it wasn't the ukrainians who did it was
russian dissidents or something which again makes no sense
so this is not to say that
The russian didn't blow up that dam is just to say that
Whenever the story is rushed out that the russians did something highly destructive you have to
We need to see some evidence here and we just don't know it's just hard to know the fog of war is thick
All right, what did you think of tucker's first
Showed and he's getting sued but he got
The tweet got at least like 90 million views, which means the video probably got 10 of that or something
So probably video yesterday was at 17 million views or something like that. So i'm sure it's more today
So no, he's getting huge distribution through twitter. Arguably. It's more distribution

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

That's almost certainly more distribution than he got through fox fox was three million, right?
He had that's how many viewers he gets on fox. Yeah, well fox is half of that now because they've
They've attributed so much viewership after tucker left
But look the only thing that I think tucker got through fox was access to frankly a viewership base
That's not very online
There are a lot of old people who watch fox who just aren't on social media. That's it though
Everybody else can see it on twitter and he's getting more distribution on twitter
Super distribution is the way to go
He's going to get
25 million people of course monetizing it is the hard part because
fox is subscription revenue and
Everything else is apparently he's creating a list. Um, you know, he advertised the website tucker
crossin dot com at the end of his
Video and you can go there and sign up for you can subscribe direct and get it on his website
Well, I don't think he's monetizing it yet, but you can sign up for alerts and so forth
So he's clearly creating a list of some kind
That's probably because he yeah with his contract. He's still getting paid and so he's like
Daily wire is the model. I mean they they have got well over a hundred million in revenue
I understand and they have a massive subscription business. So there's a clear path. All right. Hey,
listen for the
world's greatest moderator
living in the bay area, uh, david freeberg and
The dictator himself chamomile apatia and the architect hosting any number of fundraisers for any
number of politicians
David sacks the rain man. I am the world's greatest moderator taking a week off
We'll see you next week. Oh and uh, enjoy some q&a here from the live angel summit hundred
people in napa
Thanks for coming besties. I appreciate you. Uh, love you boys. I love you besties. See you next time.
Bye. Bye. Bye
All right, welcome to a baptism
John the Baptist
Are you ready to accept christ freeberg into your soul?
I honestly have no idea what i'm doing here. I've
I have no idea who these people are or
What this is or why you're all wearing white
I mean, seriously, I'm sure you're very nice people, but I have no idea what this is
Have you seen the wicker man jay cow is like we're taping an episode in napa and i'm like what?
On a you know off day. What was this monday? Today's monday. It's monday. Are you okay, buddy?
Yeah
You low blood sugar. Yeah, actually, I do bring us like a cheese plate or something
And guacamole and chips
Please but honestly like I didn't sign up for this. I thought we
I thought we disagreed to a podcast and somehow we've been roped into doing some dog and pony

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

show for jay cow's LPs

By the way, is that true or what? These are a bunch of your LPs as well. You just have never met them

Literally, okay, I'll drink it. Yes. Yes, sir

Literally somebody's like jay cow. I'm with this incredible endowment. We're incredibly successful. I'm like, oh, that's great. Yes

You heard I'm raising a fund. They're like, no, no, no, no

We heard uh sax is gonna be here. I'm like, yeah, you want to meet him invest in this fund? Oh, no We've invested in all his funds. We just never met him

And I said, wow, that's one way to do it. That's how successful sax is pretty funny two things They've never seen sax and a distribution

That's a hot start

Great fucking decision, whoever you are. You're a real fucking genius back there

Except for the fund we already paid back

Oh my god, I lost control of it in the first 90 seconds

Why should tonight be any different except for the five-year-old fund that's already fully returned

Of course. All right. Whoa. Easy. So, uh,

Welcome to the angel summit. Uh, these are my besties. We do a podcast called all in. We thought we'd do it live. This is the

Fourth time we've ever appeared on stage together

The first two times we're at freeberg's lp conference in the persidio. Yeah

I resented that one too

We know you are first time coming out to see humans

It came out in his mask. He took his gloves off

It was very uncomfortable for him, but he eased into a seat and then of course we did the all-in summit last year in miami

And this is the fourth time. So it's great to be out here. We have a couple of news items on the docket

We could start with or we can go right to q&a

With these many audience members who have a lot of questions. What would you gentlemen like to do?

Jamath has a few words. He'd like to say go ahead

Oh, what do you guys want to do? Jamath is drunk, by the way. He texted us

You can see that grin on his face. That's the Jamath grin. He gives when he decided

Like x capital scheming that he would not have lps and he would just invest his own money. He does not care

So it's the gloves are off. Let's do q&a. Jay Levy's is sacks. What's the path for desantis to win the nomination?

Um and get the base of trump. Oh red meat. Oh good. How about red meat? Here we go?

Here we go. I think the path basically is he has to win iowa and or new hampshire. Is this that simple?

But keep in mind that trump did not win iowa last or in 2016 tech crews did

Iowa tends to be more religious. Um, I think santis is trying to

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

outflank trump on the right actually on certain issues

And um, so he's on the ground there campaigning. I from what I understand he's generating a lot of interest and enthusiasm

And he's going to keep plugging away at it. I think he's going to out hustle trump

I'm not saying he's going to win, but I think he's is going to work harder

And the path would be that over the next what is it like nine months that trump's

Style and message which is admittedly much more entertaining than desantis, but kind of fatiguing whether that kind of gets old and

desantis is more

Like discipline messaging people just kind of wake up and say, you know what like I don't really want to go back to the

chaos of

Of the whole trump show at this seems like

Better to me

so, um, that's basically what I think has to happen is trump fatigue has to set in and

People realize that there's a different was that cnn town hall assigned that

Some group of people find him incredibly entertaining and the media themselves want him back because it's great for ratings. I'll uh,

Menkin on session or

Is it a sign that like my god, that's so fucking exhausting like you're saying sacks. What do you think?

I think that the the base like the town hall because it was trump walking into the lion's den standing up to the

Mainstream media, which is what they like, but I don't think it did anything to help them in the general because I think that

viewers who

Don't like trump or aren't entertained by trump. I mean there's nothing there to really grab on to I don't think

So, um, but but look, I think your point about who does the media want to get the republican nomination?

Definitely trump because he's good for ratings

And it really is that simple and they think they can beat him

So right now the biden people the trump people and the media all want

Trump over disantis and that is why like disantis is getting dispatched by everybody right now is because

You know everyone's kind of aligned on this but the minute that trump gets the nomination

It's all going to turn the media all of a sudden is going to turn on trump

And then we're going to see what the real campaign is going to be about disantis isn't show business as they said on secession

Was that the quote he show business? He's box office box. He's not box. Yeah disantis isn't box office He's a he's somebody who actually can execute running right, but also that's that's why he would be a good move for

Republicans I think is because he doesn't give the democrats as much to work with

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Yeah

But he gives his enemies so much to work with all right another question from the back go ahead stand up tell us your name

yeah, uh

sal daher from boston

and

The question is

much less exciting

Regarding you know sort of in the problem of bank

bank runs and bank insurance by the fed and

bailing out, uh, you know

Average people bailing out wealthy people

I've heard a lot of solutions about this. I've been

So careers and banking for a while

Um, the idea of having senior management and the board have direct liability

If the feds have to step in to rescue the bank

Do you think that that could be a step in the right direction?

In preventing banks from taking risks. They really shouldn't have taken I mean the 2008 disaster the subprime crisis could have been

Addressed with this. I think this crisis

With svp could have been addressed with management just having a lot more to lose. Okay, so let me just first

Take issue with the terminology of bailout. I know that's what everyone calls it a bailout in my mind is when

The shareholders or the bondholders of the bank get bailed out by taxpayers

That happened in 2008. It did not happen here here. The question was whether depositors get made whole or not

I personally don't consider that a bailout. I understand that there are people who do

But it is a slightly different issue as to the bank management

you know, uh

you're talking about like a strict liability standard here that

I mean basically you're talking about piercing the corporate veil

and making the bank executives and their directors liable for

mismanagement of the bank and that is that's a pretty high bar

That's a really high bar and the problem with it is that I would never serve on the board of a bank

I mean, I probably wouldn't anyway, but if you told me that I could be

Liable piercing the bow. Yeah for for that even though right. We have a thing called the business judgment rule, you know in

Delaware where if directors and officers of the company perform

Their job in a good faith way making the best decisions they can and it goes wrong

They're not typically liable for that. Maybe the corporation's liable if they're not personally liable

I'd look if you did that

The managers wouldn't invest the cash in anything

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Because they wouldn't want to take any risk of loss
And in order to operate the business which has a bunch of people working there and a bunch of banks that they got to operate
They're going to charge you a fee to hold your money for you
And so what happens is interest rates turn negative and you basically have to pay someone to hold your money for you
And that's what's a little bit messed up about the way the banking system works today
Is you're effectively giving a money manager the right to invest your money for you
They take your money. They pay you a low interest rate
They go invest in high-interest rate stuff by taking on risk with your capital
And ultimately they can take losses on that and if you want it to make them liable for those losses
They're not going to take that risk and the bank is going to have to change its business model from being an arbitrage business
To being a service fee business and they're going to have to figure out other ways to charge you service fees
Including charging you to hold your money in order to make money
And that's what a lot of the banks are now doing first republic and others have now proclaimed
That they're going to start charging a lot more service fees to hold your money
And they're going to start taking a lot less risk. So we're already headed in that direction
But that's fundamentally what I think would let's take another question from the audience
Good evening. I'm Lisa Song Sutton. Las Vegas, Nevada. Um gp in the veteran fund
as investors
You all invest in entrepreneurs
theoretically support american entrepreneurship
What role if any do you think vcs should have in
Shaping advocating supporting conservative economic policy in the country
shumoff
zero
I think that we have to know the role that you're doing if you're a venture investor
Which is you're buying a deep out of the money option
And I think that you want to motivate the people that you are partnering with
To take really thoughtful but outsized risks
And so I don't think there's a lot of room for
Conservatism I do think that there's room for
misallocation of capital
And I think that there's people that can help guide that but the reality is that when you start a company
It's 95 likely to fail and the venture investor is signing up for a
70 or 80
probability that they lose capital
Maybe a 10 or 15 or 20 chance that they get their money back and then the small
5 chance that it becomes reasonable
so

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

In that lens, I don't think that's where conservative economic policies really should play a role
I think you just kind of got to go for it and if it's going to win it's going to win big and if it doesn't You lose one extra money. I think like where you want conservative economic and rational thinking Is when you go to the extreme other end, which is just like the large-scale decisions that affect
The economic vibrancy of the country in which you live
And there on the margins, you probably want to be more rational than unrational irrational
But as a venture investor, I think you want to be irrational
But I also think you have to be very judgmental
And the reality is that most companies aren't going to work and most people
This may seem counter controversial
most people
When push comes to shove are a little afraid of the decisions they need to make to be truly successful
They're not willing to fire the people that they need to fire
They're not willing to be extreme in the product they want to build
They're not willing to price it. They're not willing to go to market in an extreme way
And it tends to be that these companies fail because of that a lack of courage a lack of conviction
It's a lack of courage or conviction because that that's a very heightened word
I just think that when push comes to shove most people implode with the pressure of making a very very hard decision
Interesting all right in my experience could be yours could be no
I mean, I I agree with you largely when a startup does fail
If the experienced people around it are watching and can't get through to the founder or the founding team
It's typically they are blocking their own success. They're unwilling to fire their co-founder their cto as the example
You're alluding to perhaps or raise the price of the software and lose some customers
Or to drive people to work harder because you've got a competitor in the space
And that's why you see extreme people win
In our pursuit and I think there's been just a great fallacy that's gone on
That you can have live work balance or life work balance and you could have this
Nirvana where you have it all the fact is the great companies are made by people who make great sacrifices period full stop
And if you're not willing to make the great sacrifice, you're not going to have great outcomes
Hi, uh, david samuel earlier today jason you had kind of a doomsday or ai
Panelist and my question is you guys have been thrust into the public spotlight
And we look at deep fakes in the next year or two as you talk about, you know tweeting on friday versus wednesday
How do you think about somebody having each of you saying things that you did not say?
And like how might we know whether chamath
Said that or it was a deep fakes saying it. I already have that problem

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Yeah

Insider last week where somebody was saying I had a phone call. I never had so how do we solve this?

Especially for you as public as public two things two things one
I don't think people can say more outlandish and damaging things
in ai than we say ourselves

On this podcast at times

But number two, you know as we've discussed many times on this podcast. We have rebooted our trust

Uh in institutions

What we read what we see and I think people are now

Assuming they're being manipulated

Assuming something might be fake news or doctored and I think it's like

People are building up a much higher resiliency to bullshit lies manipulation

And if I were to ask a hundred people

What is the bias of cnn new york times fox msnbc npr?

90 out of 100 americans could describe it almost exactly

People are not dumb. This is another fallacy. I think we have in this country is that people are dumb and they're going to get

Suckered people are kind of figuring it out

And and we've seen deep fakes for what five years ten years now and they're like, yeah

You know luke skywalker didn't look really good in the mandalorian

But there's a kid who redid it and now dolly two is doing it. I think we're kind of
Anoculating ourselves too. What do you think free bird?

Deep fakes and truth when the Gutenberg press was invented a bunch of fake shit was
Printed and people believed it

I don't think

The current iteration with deep deep fakes is

Very different from any form of mass media being used to tell people on truth

I'm just called the crusades. What's that called the crusades. Yeah, no, I mean

But look, I mean, right, you're a hundred percent, right

But I don't want to speak about religion negatively in that way

It is one of many institutions of power that leveraged mass media
historically

uh

To get people to believe things to do things and to ultimately be able to tax people and get them to
provide

capital and labor

in the interest of those who are in power

and the the system of deep faking is one of

A long string of using the current toolkit

To take mass media and and follow that same track

So it will be dealt with in the same way that

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Things have been dealt with that have been fake news in the past
Which is that there will be an opposing voice and there will be
Counter arguments and there will be debates and it will be
Rancorous and it will be noisy and it will be hard to discern
And alternatives will emerge and tools that identify deep fakes will emerge
And it will be the same ongoing battle and seeking of the truth that humanity has
Tried to do
Since the dawn of mass media, you know
yesterday's conspiracy theories are like tomorrow's Pulitzer prizes
I always say like if you look at shinny no con or ripping up the pope's picture on saturday night live
right in protest and saying like
This is the true enemy
They're molesting children and
Then the boston globe and the movie spotlight is about them
a decades later
Winning a Pulitzer
For uncovering what anybody who's in the room whose catholic in the 70s and 80s knew
Or had heard was going on and so
You know, maybe the time frame is shortening between when we're being lied to and when we figure
it out
I actually think it's interesting and good because it forces us to find ways to find the truth more
effectively
and
You know, it kind of without the antagonism. I think it's you know, it's it's absent
What is the truth? You don't you don't force that debate. You don't force that question and this will
start to reveal ways that we can kind of
Find things that are actual evidentiary things versus
Things that someone told me with either historically anecdote or innuendo or i'm a person in power
Or i'm an authority or i'm an expert and nowadays it's like i'm a piece of media
You should believe me or here i'm an image of a person and that's not going to be the case anymore
Hi, i'm jeff uh a full-time corporate vc and part-time angel. Um, my question's about ai and higher
education
And it's actually some covert parenting advice so you can decide who's that's relevant for
My son just finished his freshman year of college and i'm questioning
What the future is for him in higher education given all the change that ai is going to
Going to have on on every career and every profession
And i'm wondering what advice you'd give to to your child or or someone who's in college right now
for what
What's an area of study that won't maybe won't be disrupted by by ai or or an area that
Um ai you'll get leverage from your education
Through ai i think the reality is that most of the existing jobs that we have in the united states
Are going to go to lower cost locations
That have that toolchain to accelerate their capability

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

So
We are going to have to reinvent the workforce
And the things that we do
Over the next 30 or 40 years to stay relevant
That's probably like i think that should just be the operating principle
If you think about it, we used to run great call centers
Okay, those call centers were outsourced to the philippines in india, but in the next you know five or ten years
You'll have this flawless unaccented english or even more
Yearly perfectly accented english for the zip code of the person that's calling in so that it sounds like they're talking to somebody
That's literally their neighbor
That's like just makes so much sense right so it's like all this stuff is going to happen
We're like all these classes of jobs are going to go away
I saw this article where a lawyer two lawyers used chat gpt to submit a legal brief
The problem was that it cited cases that didn't exist and now they're going to be disbarred
So this is like serious business right like you can't do that like that's like real legal Malfeasance so what are your kids studying practice?
in college
You know if i had to choose something for my kids i would probably
I would probably tell them to do something
mathematical or biological
The reason I would point them to math is that I think that it's irrefutable
There's this great clip between
Ricky Gervais and steven colbert you guys should go and google this
But it's a clip where he's on the colbert show
And colbert is a deeply devout catholic and he's offended by the fact that ricky gervais doesn't believe in god
And he asks him why don't you believe in god and ricky gervais says look if we wiped out all the books in the world
In a thousand years everything that's scientific and mathematical would be reestablished
But everything that is religious or theoretically not you know mythical if you want to say
Would look very very different
And that's why I don't believe in god
I'm not trying to question that but it's a way of answering this question
Which is I would try to point my children to the body of knowledge
That's largely irrefutable
Which is biological and mathematical versus belief oriented because I think these tools will change one's beliefs
I've been thinking about this a lot too. I think teaching them to be entrepreneurial
resilient worldly ability to communicate ability to lead other people
In teams that stuff's not going to go away a communication skill, etc. And

I'm encouraging everybody who I work with to just use chat gpt4 and
barred every day for every single thing that they do my
base thesis right now is that
The job
Freezes the hiring freezes that are all these companies is indefinite
I'm assuming it's indefinite because the amount of work it takes to write a job requisition
Is more work in some cases than actually automating with
AI or ready the job function. And so I think 20 person companies might you know
Double in size in the next two or three years
But still have 20 people
This is going to be a big challenge for the for society
And if it if that does come to pass there's just going to be large swaths of people who
Are not going to be able to get job interviews for anything other than service jobs
And you know, we need a lot more plumbers electricians waiters, etc. Those probably jobs won't go
away
Especially if we don't let people immigrate so I I I am super enthusiastic about that efficiency
But I think it also means you have to be entrepreneurial because if you can't get a job and you can't
get
Centered you better create your own opportunity. You better create your own company
And that's what I'm seeing. That's the game on the field right now two or three people who don't
have job offers from uber
And air bnb and google and facebook just saying fuck it. Let's start a company
Because there's nothing else for us to do
And those are highly skilled people right now doing that. I'll say two quick things about this topic
so
One is I think there's a lot of ai fear porn out there right now and I just think that like all these
Dumer scenarios are they're not going to play out overnight. I mean this is going to take a while
Second
If you think about like job elimination, it's going to be some super specialized jobs. So for example
I wouldn't want to be a radiologist right now, but doctors will be fine
So I think if you're thinking about like going into a job category that's super
Specialized and clearly in the way of ai then that probably is not a good idea, but
Most general skills like you're talking about and most job categories are going to be fine
There's just going to be some specialties within them that may get
Dislocated like I wouldn't want to be a truck driver either, you know because of self-driving
But transportation companies are still going to exist. So I think
You just want to be careful about super specialization. I think but building general skills is always
really good
That really should be the point of college. Where would you put lawyers and accountants on that?
I'm curious
They're sufficiently general that I don't think they're going to be eliminated
But will they be able to do five times the amount of work? Therefore, we won't need as many
They may be able to get more done. Yeah, I would expect them to be able to get more done

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Yeah, but I don't think necessarily think that means we'll need less of them

I mean the old story about lawyers is that there was

One lawyer in a town had no business second lawyer came to town and they were both more busy than they knew what to do with

Yeah, lawyers get 30% more productive. They file 30% more lawsuits and you know, we're good.

Yeah

All right, let's take another question. These are great questions so far. Hey guys rick spencer

Um, I hope chiomath gets to choose the wine this evening for dinner

I did not get to choose your wine. So I apologize in advance

Well, what kind of whatever trigger here? This is the 2018

Chateau con le fondre

Let's I love the bestie. Okay question

So you've talked recently in in episodes about the speed of ai the adoption and how the winners are still unknown

That was reinforced in the sessions today a room full of investors

How are you thinking differently about your investment?

You know your strategic investment decisions and your strategy

Are there opportunities to look at venture investing differently like venture studios?

You know in the future of ai I had this conversation earlier today. I think I started a company in 2006 where we took large data sets

And we built predictive models from those data sets and we use those predictive models to make analytical tools available

to a specific vertical in our case agriculture farmers

and the models were both

deterministic meaning there was kind of

definitions algorithmic definitions of physical parameters and there was like all the statistical inference that you get from

large data sets

And it made recommendations for farmers

What a lot of people are calling ai today

Is fundamentally a predictive model on text on language

I am making a language predictor that gives you a sentence

And it seems so profound because it is how we all interact with computers and interact with one another

And as a result it is kind of viewed as this sea change across all of these industries

Instantaneously, it's this whole new era

But the fact is that generally speaking the digitization of things and the amount of data that's being generated on earth is going up by some order of magnitude every number of months

And our ability to make predictions and build predictive models that are useful to specific vertical segments is improving every sequential cycle

That this is happening across every vertical

And it is continued and it hasn't changed and it's not any different

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

So there's in this area of genomics and bioinformatics
There is an absolute sea change happening in human health in synthetic biology
And our ability to understand and predict the biological world and make changes and
Create new drugs create new systems for producing molecules for producing things that humans
consume
And it is all buoyed by
machine learning applied to large data sets and genomics and other metadata associated with
human health and biology
And we're seeing the same thing in other areas whether it's chemistry material science
Industrial application consumer markets and so on
The era of what people are now calling ai is an interface layer of language
That's really creating transformational opportunities on how these tools how these systems how
these models can be utilized and provided
To all these different verticals and allows us to rethink business models to rethink interaction models
And to really change the economics of different businesses and the utility and the productivity of
humans
Because it is about speech. It is about communication. It's about what we fundamentally do as a
species
So I would argue that the general
Trajectory of machine learning the general trajectory of data generation our ability to make
predictions
Generate value across all these different markets is continuing in the way that it has been continuing
for the last 20 years
And it is profound in its own right
And I wouldn't say that there's a massive sea change in that evolution because of
large language models large language models create another set of opportunities
So I would kind of create a distinction and make sure that the categorization of the investment
opportunities
In large language models be assessed on its own and everyone's all over the place as you guys
probably heard today
Foundational models are getting disrupted every other week. They're being decreased in size
parameters are being reduced
They're being commoditized. You can run these things on m2 chips
Everything is up in the air right now and it's friggin nuts
You're going to invest in a company at a 500 million dollar valuation and six weeks later
It's going to be worth zero because someone opensource the exact same thing that you can now do
for 100k
So that's very difficult and very different
Then but there are still like these incredible points of inflection happening across all these other
industries with respect to machine learning
And that's where I spend my time. Chimathi. Want to add what you're looking at? I think this is going
to be the big question
Six or seven years ago

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

There was this google earnings release where they talked about building their own silicon
I've told this story before but I
Ping those guys and I was basically like I just want to meet the team that built the tpu
Long story short a year later. I put them in business
And you know, we've been building silicon for this moment for years
It's been really really hard
And the reason it's been really really hard is that Nvidia is just really really good
CUDA is very very complete
And it's just very difficult to justify why one would build
Once you have something that you think is profound
Through you know, implement multiple sdk's to like multiple points of silicon just doesn't make any sense
That being said I still think you need to be at the absolute bottom of the stack and the absolute top of the stack
I think I'm a little too biased for saying the former
Which is I'm hoping that there's
vendor diversity and silicon diversity
Because I think it's going to be really important. I don't think we want to have a world where Nvidia runs away with it
So I think there's investment opportunity there just because I think everybody should want that to happen
and then at the absolute top
Freeberg's right that
All these foundational models
I think are changing so rapidly that the thing that you want to figure out is like
What are you seeding it with to drive learning that's unique?
And that's a data problem. So there's an example that I've given. This was an example given to me
By Nikesawara, so it's not I'm not going to take credit for it. He's the CEO of Paul Alton Networks
But he was telling me
You know, when you look at
travel
The travel space all the public travel companies are like
300 billion dollars of public market cap, Expedia, Travelocity, all these companies
But they're pure middlemen
And they sit on top of the data feed that comes from a handful of companies one of them is Saber
And so I went and I looked at Saber Saber is like a 1.3 billion dollar company a small little company
But they are the ones that go into all the airlines extract all this gobbledygook data
Normalize it and allow
Expedia, Travelocity, booking.com to exist
In a world of machine learning where and AI where theoretically you can have conversational languages in inside of whatsapp or messenger or instagram
You see this beautiful picture. You're like book me a ticket to that place
Well Saber is actually the key

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

Value creator there and all these Expedia examples that are plugins at GPT make no sense
They make no economic sense. Those companies should go to zero
So I've used that as a way a forcing function for me to try to prove that there's really these two
Barbells, it's a barbell bookends one is a silicon and one of these sort of like data providers
That's probably an investable thing. That's defensible
Everything in the middle. I think what what Friedberg said is true
Which is today it looks like it's worth a couple billion dollars tomorrow's worth nothing
And I so I think you have to be very careful if you listen to
There's an interview that Steven Wolfram did with Lex Friedman. If you guys listened to it a few
weeks ago
I had him on my pod a couple weeks ago, but haven't heard the free from yeah, he's incredible
Yeah, he's incredible if you listen to that interview
I think Wolfram does a great job of describing the difference between inferential models or statistical
models
and computational models
Statistical models are where you take large data sets and you build
statistical models that infer
And predict things in the future or predict things that you ask it to predict
From the data set that it's trained on and then it creates a statistical representation
It has a probability of being right or wrong and every prediction it makes and it creates a
distribution of outputs from the model
And you can train a model from nothing today
Using a bunch of tools that are open source and generally available and a bunch of great silicon and
all this amazing stuff
That's that's that's now out in the world
But there's a bunch of things that you can't
Generate data and you can't necessarily train models on and that requires computational models
models where you actually have to build some
System that creates a deterministic outcome and deterministic means that it doesn't have a
distribution of things that could happen
It has one thing and it calculates it like two plus four is six
There isn't a probability distribution on it being six two plus four is computable
It is calculable. It is six
The great unlock
That I think is ahead of us still generally speaking with respect to large language models
Is the connection back to computational models is the connection back to structured data
Where you can make requests and integrate structured data into the output combined with
inferential output
And computational models where you can take the inference
You can take the request and figure out what computational models can I now run in addition to
making a prediction about an output?
And that's where so much of the value is going to lie and it's going to require
incredible software engineering talent

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

applied maps statistics

All the stuff that's made data science generally speaking so successful over the last two decades is going to continue

And it's going to be this integration between computation

And inference and it's going to be applied in lots of different markets and it's going to be really powerful

And we're all going to have our minds blown

Just in terms of the seed stage or super early pre seed stage

Two or three people who are obsessed with this technology who are playing with it every day

Who are keeping up to speed on it?

And who understand some customer base whether it's delighting themselves or delighting some other customer base

I'm willing to take that small bet on that 100k to 250k bet

Because in the previous paradigm shifts or platform shifts cloud computing apps and before that desktop computing

And the web

You saw people start tinkering with stuff and whatever their first two ideas were are long forgotten

Because they figured something else out and I kind of feel like that's the stage we're in

there were a lot of people who were playing with iPhones in the app store and

You know, they made a calculator or a flashlight that got built into the operating system as

I think freeberg is specifically pointing out like you could just be part of the model and your whole Business is wiped out. We have one company that's trying to make itineraries for travel

And I looked at what they're building and then I you know, they're figuring out prompts

They're figuring out the interface. They're figuring out what people want

And I did the same searches on chat gpt4 and I was like, it's not that much better what you're doing

But it's better and your ideas are better

And so I think that the win the race and they only have to please you know, whatever number of users

And this company could wind up being like I said before a 20 person company that does 50 million in revenue

And I think that's going to be a very interesting future and it reminds me of the app economy

There were a small number of acts things like distro kid

Or instagram

Where small teams built things that printed money and had incredibly high margins

So I think that's part of the opportunity here. I do agree with chamois point data's the new oil

Whatever data set you have that you have that's unique is incredibly powerful in terms of defensibility and could help you to outpace one of the generic models

This dude's been waiting. Okay, dude. Who's been waiting. All right, lightning round

Thanks, David for the mic. My name is ride must you transform bc in san francisco. My question is for you chamath

Um, the last finally jesu

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E132: SEC goes after crypto giants, Sequoia splits, LIV/PGA, Messi's deal + LIVE Q&A!

What the fuck these guys
So on the last one or two episodes, I can't recall you
You brought up this whole idea is how do we get non us born
american patriots to run for president
so
As the growth hacking drunken master
What do you recommend? How do we propel this idea? How do we have it pick up steam?
And not have to wait 25 years or whatever, you know, it can't happen in the next few years
I think I do think there's a small probability it could happen in
25 to 30 years, but
Like the problem is that
the people that
Only jcal can be president on the stage. Yeah, the three of us are how fucked up this is
But I'll put you guys in my cabinet. You've all got positions. I think the how is that you have
enough bottoms up citizen journalism
and opinion formation
That people can independently decide that on the margin. This is a good idea
Like look, I I'm not interested in running for government
But if david were in charge of something very important treasury or state
I would have
immense confidence
If free berg were in charge of something I would have immense confidence
So the idea that guys like this
The idea that guys like this and oh because i'm born here, so you don't have to say that
Yeah, don't worry. You'll get the department of sanitation work. I'm definitely gonna win. No, so for
sure
I think every job post master general
I do think it's a little it's a little crazy that
Guys like these two get disqualified
Just because they emigrated when they were like four and six
That's insane
So I I think that if we're in the business of actually deciding that you want the best people for this
country
On the court so that we keep winning championships
You don't tell jonas. Oh, you know, you were born in greece. So chow chow. You don't get to play.
That's crazy
Put them on the court and let them win
So I do think it takes 25 or 30 years though of us saying this because it has to be a groundswell of
people that say
I just want to win because i'm seeing all these other countries starting to win more
And I don't think I want that for my children. I think I do think it takes a generation
I don't think it happens today. All right guys in a couple of hours. It will be
The sultan of science's birthday and alan keatings and alan keatings

And that's right alan keatings birthday
So I thought it would only be fitting
if
a hundred all-in superfans
Took a moment. I'm gonna sing an italian and sung
Happy birthday to dav frieberg three
two
one
Happy a birthday to you
Happy a birthday to you
Happy a birthday dear frieberg
Happy a birthday to you
And many more
All right sultan of science
I know your wish was to be a top 10 podcaster. It's come true finally
I gotta go into podcasting. Yes
Thank you
Oh
We should all just get a room and just have one big huge orgy because they're all
It's like this like sexual tension, but we just need to release somehow
What you're about to be what your feet?
We need to get merch
I'm doing