

[Transcript] All-In with Chamath, Jason, Sacks & Friedberg / E142: "Rich Men North of Richmond" hits #1, upward mobility, real estate capital crunch, Trump RICO

Oh my god, sacks looks like I got hit by a mattress. Are you okay little fella?

How long were you out last night sacks? Oh boy. Did you see this message? I got the text messages I was like, what the fuck is going on over there? I gotta get back to the United States.

Time stamp 139 a.m. Pacific. I'm still out drinking tonight. There's no way I'm making 9 a.m. I'll do 10 a.m. to noon. This is sacks. The negotiation has begun and I'm waking up. It's my last day on the boat. I'm trying to get off the boat in a reasonable manner and that's the first text message I get. That's the first text. That's six minutes later. Drake just came in. Better make it 11.

Do you want to tell you the story? The thing I would compare it to is, do you remember that episode of Seinfeld where Costanza stumbles onto the model bar? He finds the places all the supermodels are hanging out and he calls it Shangri-La because it's like this mythical place and he spends the rest of his life trying to find Shangri-La again but he can never find it. Yes. That was you last night in LA. Well, so we were just out having a few drinks at this private club that's new in town. This is me and my whack pack and the room is just a few of us having drinks.

Who is your whack pack? We can bleep out these things. How many of the whack pack are on salary versus? He's like an FBA player. He rolls in with six people. What percentage do you pay and what percentage are your friends? Yes. He's doing a calculation. I guess about half receive some sort of monetary payment from me. Not all of them are direct employees. Some are vendors. Some are vendors. Okay, got it. Of course, real estate brokers, like Blanker.

You don't have to have them on payroll. Oh my god. So yeah, they're fee-based. They're fee-based. You could call it an entourage. How many rolling your entourage? How many are there? Five? Four? I'm going to say six. I think we had about five people out. Okay. That's an entourage. That's perfect because that you can get into the club with that. It's more like a private club. It's not like a different kind of club. You're a member of this club. Yeah, I'm a member. Got it. So we're just hanging out there having drinks and the room's empty. It's just us.

And all of a sudden, there's like a subtle vibe change that happens. And we look around, like five minutes later, the whole place is full. And it's like Schengler law, basically. And we're like, what just happened? What happened? And then Drake walks in and we're like, oh, okay. Got it. He performed at a concert in LA that night. So the after party was basically at this place.

So it's not like we were hanging out with him. What were you drinking? Are you on the tequila still? Or what are you on right now? You seem to love that tequila. Are you on the ranch water still? Yeah. I used to like bourbon or scotch it, but now these sort of highly refined tequilas are better. So the Klaus Azul is probably my favorite. Right now. The Klaus Azul Repasado. Yeah. These Repasados are on Yehos are really great. And I've advocated to this group that we should actually have our own all in tequila label. I'm in. I'm in. So we'll see if the fans like that idea, let us know in the comments and we'll work on it. Now, how do you drink it? Are you a neat guy? Or you put a couple of ice cubes in? Or do you do like a Bill Gurley ranch water situation? What's the ranch water? What do you mean by ranch water? Ranch water is you take a topochica, some tequila, and then what? You put a couple of limes in it? Freiburg, because you're on this ranch water kick too, aren't you? I had a little ranch water the other night. I had some ranch water last night. You hear my voice? I had a little too much ranch water. But topochica is just that's just it's a seltzer water, right? In a glass bottle from Mexico. Like, but it's a fancy

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seltzer. It's delicious. And then you get lime juice in it. And it's just, you know, it's a very, like it's basically double tequila and soda with some wine. It's like a margarita minus the sugar. No sugar. Yeah. No sugar goes down very smooth, very refreshing. You got to have a good tequila for it to work. Yeah, I don't bother with the mixers or the fruit or any of that stuff. It's just I'll drink it on the rocks. I can't be bothered with anything that is ranch and water. Just seems so downmarked. It seems nasty. Yeah. No, it's a Texas thing. It's a Texas downmarket. No, if you're drinking a high quality spirit, you don't need to mix it with anything. You know, if it's a bad spirit, then you got to put all sorts of things in it. But you don't add seltzer to white wine, to a good white wine. When Bobby Baldwin was still running the Aria, and I was super gambling at the Aria, my host invites me, and there was a huge Chinese junket at the same time. And I'll never forget it. These guys had ordered every bottle of screaming eagle, okay, so whatever, five, \$6,000 a bottle. And Welch's grape juice, and they were mixing too. I've never seen anything like this before or since. It was unbelievable. This was like a joke? No. That's how they drink it. Come on. No. They asked for the most expensive bottle that they had, the most expensive California bottle that they had. These guys pull out a case of screaming eagle, and they just start pouring, we were playing together, pouring half screaming eagle, half Welch's grape juice, like those grape soda. I got to be honest, that does sound pretty good. I don't think you need a screaming eagle, exactly. Yeah, that's pretty nutty. It's like a sangria. The big thing now that they do is they put the big ice cube in the drinks, the big cube. But I think I'm old fashioned. I prefer the multiple rocks, not the big cube, because I actually want the ice to melt a little bit. I want the drink to change. You want to open it up. You want to open it up. It's a relationship. It's a relationship with the drink. How does it start? How does it end? Exactly. David, I want an honest answer. Do you have, in the mausoleum, an ice cube mold of your face? Not some super fan. Just put that in the merch store. Not in my face, but we do have our own ice cubes. We do have our own big cubes. Actually, there's a room off of the kitchen, which is the ice room. So they bring the ice down from Antarctica, and they cut it. Most of it melts because he's not there, but yeah. It's the best. Sax is the best. He's the best. But it opens up, right? So tell me more about the relationship with it. You start, you got a very powerful, strong relationship with it, and then you ease into it. It gets smooth. Yeah. I mean, the reason why they do the big cube in theory, I mean, it looks cool, but is because when the ice is kind of in one cube like that, it doesn't melt or it doesn't melt as fast. And so it doesn't water down the drink. But I want the ice to melt a little bit. It can be easier to drink. When we drink Scotch, yeah. Sax, when you're drinking bourbon, is the whole stick around Pappy Van Winkle, is that real, or is that just like marketing? It's a little bit like Screamy Eagle, which is to say it's good, but is it 10 times better than the \$300 bourbon? No. So there are other good bourbons, but Pappy is very good. It is undoubtedly very good. And what makes a bourbon good versus average versus shitty? Like can you taste it like wine? Like you can taste a difference in wine or not really? It's about how smooth it is. Personally, I don't want bite in either my bourbon or my tequila. So, you know, how smooth that is. And then bourbon compared to Scotch tends to be sweeter, but you don't want it to be too sweet. So just getting that balance right. You know, these new tequilas are kind of like that as well. You know, you choose

how much bite you want, how sweet you want it. Three things you don't want to bite in, bourbon, Scotch, and... Whoa! Do you ever have a drink with the Collins Ice? Do you ever have the Collins Ice? Do you know what that is? Check this out. This is becoming a trend. They cut a very long rectangular ice. What do they call that? A highball? Is that a highball? Or is a highball the shorter glass? I don't know. No, highball is the short glass, no? That's the short glass, which makes no sense because they call it a highball. But anyway, there's a funny meme where you take this drink and you... They show this and it's like, what happens when you're venture capitalists after venture capitalists get their preferred and their liquidation preference and they pull the ice cube out and there's one ounce of drink left. That's great. That's a prep stack right there. It's a prep stack. This explains the prep stack. Your Collins is the liquid around that ice cube. That's really good. That's really good. That's really good. Oh man. Can I admit something which may be totally derided, but I have to say, have you guys ever had a Cosmo in a short glass? So, meaning not in a Martini glass, but just a Cosmo in a short glass. In a guy glass? Yeah. In a guy glass. Yeah, yeah. Guy glass. I think when a Cosmo is made, it's an incredible drink. You guys... Too many ingredients. Yeah, nobody here is going with you on this one, pal. You're on your own. Pass. I don't drink hard all the time, but when I do, it's a Cosmo in a short glass. There are so many better... What about a great Negroni? It's not sweet enough for me. I like a Cosmo. Yeah. And a Margarita, I guess I like sweet drinks. I like Margaritas. Oh God, here we go. How does it take you to do that? It's a good background. Oh, there's the entourage background. Yeah, I'm friends with a lot of the entourage guys now. I know Adrian and I know Turtle, who is a big Knicks fan. So, I'm friends with two of the four. Two of the four. Really nice guys. When you say you know them, you mean you've DMed with them or you've done something in human life with them? I've hung out with Adrian Grineer many times. He's big in tech. He's got a... He's like a venture partner in a fund and he lives in Texas, well known, public, but he's in the Austin area. So, I've seen him many times. I think he's access to. He rides in our circles. And then, yeah, Turtle is a huge Knicks fan and I'm in a group chat with him where we talk about the Knicks. So, shout out. And they're bringing it back, by the way. There's a big fight between, I guess, Mark Wahlberg and two of the creators, but the whole cast wants to come back. And then, they want to do what would Ari Gold be like in this era of cancellations and political correctness. And I think that would be... He's probably also... He's got to be a softer character too now that he's grown up. He's matured. He's passed the heyday of his career. He's reflecting on life a bit. It could be really good. Well, that would have been a plot line. You put him in the middle of a cancellation crisis. Yeah, Jerry Ferraro. He probably has issued an apology of some kind. Something from the past, some texts he sent to some producer in the past. Yeah, what would be great is, if I think the best entourage reboot would be making him the head of Disney or something. Like, he's in charge of the Atres Studio. And then... Well, by the way, are you seeing this snow white backlash?

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Oh, here we go. Go ahead. Here's your red name.

I don't care. I'm not going to see the movie and I don't care much about it.

Oh, you're not going to see snow white?

But it's another Disney... It's another Disney faux pas

where conservatives are backlashing against this revisionist take on snow white.

The dwarves, apparently, are no longer dwarves. They're just people with, like, funky hair.

No way. Really? They made them non... They made the dwarves non-dwarves?

I think they're still called dwarves, but they're, you know, normal height people.

My lord.

But they've got, like, blue hair or pink hair or what's really that?

Well, this is the thing. The term dwarf, I think, is not... I think there's some in the community, some debate if it's offensive or not.

So I don't know if it is, if it is. Apologies.

In the small person community? Like, what community?

The person... There is a term, person of short stature, little person, and dwarf.

Those are the commonly used terms according to the internet.

I don't think you get canceled for any of those, but I do think it's a sensitive subject.

And there are some differences of opinions.

Anyway, somebody who is a person of short stature complained about this, and then a bunch of folks who are persons of short stature were very upset, because how many iconic roles are there for people who are in this?

Right. Well, this is kind of an ancillary issue, Jason.

The main thing that's raised hackles is that the actress who plays

Snow White has been giving all these interviews in which she's trashing the original movie, and basically saying that Prince Charming was a stalker in the original,

and so they had to change that. And so you have to remember that Snow White

was the original IP of Disney. That was the first big movie they did that put them on the map.

I think before that it was more like short animated films, and I think Snow White was the one that Walt Disney figured out we could make a feature-length animated movie, and it made the Walt Disney

company. So you have here this actress is taking a lot of heat, because she's saying a lot of things sort of trashing their original movie. Now, I personally don't blame her, because the things she's saying, I think, are the filmmakers' intent. And so really, you have to question the wisdom of the executives at Disney who could have left this material alone. They didn't have to go here, but they did decide to go here. They did decide to do a remake, and they changed all these things. Why even bother? All you're going to do is ruin the public's perception of the original.

Yeah, that'd be like the New Star Wars people being like, oh my god, Han Solo was a misogynist, and it's like, well, yeah, he was a scoundrel. They literally called him a scoundrel in it.

Yeah, I mean, he's not the best guy, but he has an arc, and he turns around. I mean, there's a problem with trying to... You have to look at art in context, obviously. And speaking of which, I don't know if you guys saw this. There wasn't a need for them to rehabilitate that movie by remaking it in a completely different way. Yeah, here's how you say it. Standards have changed over 100 years. So some of the things that you might see on film or in media or in books

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might be different over the last century, and you might want to put them in context.
At the end, let's move on. Speaking of media, are you guys aware of this song that has rocketed to number one? Richman? I haven't listened to it. I thought I'd bring this up. I think it's...
Have you heard it, Free Bird? Great song, great voice.
Incredible. Can you play it because I haven't heard it.
Yeah, let me play you a little bit. I want you to just listen to some of the lyrics here. And then for context, nobody knew the song a week ago. It got 25 million views on X in a week or three days, and it's the number one song on iTunes right now. Number one track in the country. Here we go. Coming at you, Oliver Anthony. Rich Bad to Rich. Becoming at you on Thursday.
I've been wasting my life away. Drag back home and drown my troubles away. It's a damn shame. What the world's gotten to for people like me. People like me. People like you.
People like you. You can shock and just wake up. Ain't it not be true?
Be true is all it is. But it is living in the new world.
With an old soul.
There's Richmond North for Richmond. Lord knows it all. Just wanna have total control.
Wanna know what you think. Wanna know what you do.
And they don't think you know. But I know that you do.
Cause your dollar ain't shit. And it's taxed to no man.
Don't go to Richmond. Don't go to Richmond.
Incredible. When you hear the song, I saw that Sax was getting into it. This is a popular song. He's crooning the American voice. Absolutely. I'm into it.
It's the 80 million people voted for Trump. If you read the top YouTube comment, it's the 80 million people that feel like they don't have a voice that Trump was speaking to.
He sounds like Wesley Schultz of the Lumineers. The beautiful voice.
But obviously the lyrics are what speak to people. He delivers it so well.
Let's do a little all in for the first time. A little cultural, what would you call this?
Appreciation of the lyrics here. Or an analysis.
I've been selling my soul working all day over time hours for bullshit pay.
I can sit out here and waste my life away. Drag back home and drown my troubles away.
It's a damn shame what the world's gotten to for people like me, people like you.
Wish I could just wake up and it not be true, but it is. Living in the new world with an old soul.
These rich men north of Richmond, huh?
Lord knows they just want to have total control. This is a key line.
They just want to have total control. They want to know what you think, Sax.
They want to know what you do. And they don't think you know, but I know you do.
And so what's happening here is the author of the song, the lyricist, is saying, this is about big tech. This is about the CIA. This is about the FBI tracking us.
And then thinking that we're schlubs, that we don't know they're tracking us.
They don't know they're tracking the working man.
But the author speaks to the listener and says, I know you do.
Just let it sink in, huh?
Do you have any lyrics here that spoke to you, Friedberg?
I know that you're living this blue collar life.

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I just want to wax philosophical for a second.
I do think that, you know, for all humans to find happiness in life,
they have to feel like they're progressing.
And if folks are not progressing because of challenges they face in the world,
there's always an orientation that the system isn't delivering to me
the things that it was supposed to deliver or the system is rigged and corrupt against me.
That's been the case for all of human history.
It's certainly the case today.
And with, you know, you read Thomas Piketty's book, Capital,
he speaks so much about wealth disparity in an era of globalization,
in an era of technification, in an era when the world is seeing
some people have extraordinary gains, but most people not on a relative basis.
And that voice speaks to a system that is preventing those folks
from finding that path in life that they believe they're due
and that they think is obviously something that everyone should be born to be able to pursue.
I think it's beautifully said. It's beautifully said.
It really speaks to the core and the heart of what people term this populism.
I hate that term, but it's a lack of progressivism.
It's the fact that folks don't feel like they can progress,
not just in the U.S. around the world today,
but really the U.S. voice is so strong and so loud on this point.
It's why Trump was elected that the system,
whether it's the companies, the people, the institutions,
the large, large, large federal government agencies,
are preventing folks clogging up, giving people,
not delivering to the people the things that they said that they would,
and not enabling them to progress on their own.
And I think that's really, this song encapsulates the emotion of that feeling so well.
I think it also...
I think that's what's going on.
Yeah, it's beautifully said.
And I think to build on that and then bring Srimath in here,
there's something unique about the American spirit
that we're never happy, that we're always striving.
And I think this also encapsulates this.
And if you look at the European spirit, specifically Italy, where you are right now,
there are people who very much enjoy life and accept life
and have maybe a little more peace and happiness
and aren't trying to upgrade, upgrade, upgrade
to get the latest version of whatever it is,
car, boat, house, you know, iPod, whatever.
And it's super interesting, this lyric,
because it shows this frustration.

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And if you think about the frustration for your point,
we have the lowest unemployment in the history of this country,
in our lifetime, I should say, and wars aside.
And when we have 10, 20% unemployment in certain groups,
people complain about that.
People complain about their retirements.
We complain here about our portfolios and our equity positions
and them being down.
Everybody in America complains.
It's why we are so successful is because we never accept it
and we never actually take a moment to smell the roses.
Chamath, any thoughts on that?
And then I'll just read some more lyrics and then go to sex.
I don't know how to reconcile all of this with the other part of America,
which is you pull yourself up by your bootstraps
and the system still roughly works.
How do you make those two things work together?
It just seems like one cohort of people says the system is rigged.
Another cohort of people say if you work really hard,
America will give you a better chance than anybody else
and it still does and it still does a better job than it ever did.
And there are umpteen examples that they'll point to.
So who's right?
Is it that they're both right?
I think it is.
I was about to say, I think it's both right, sex.
You could have a group of people who are unhappy with their current condition
and there are people from around the world who look at America
and say, I want to be part of that system.
If only I could be in that country.
In fact, all three of your parents,
Freiburg, Sachs and Shamath, said that.
I need to get there.
I need to get to America.
Sachs, your thoughts on Shamath's point about this disparity, this paradox.
So the way I interpret this word populism is failure of the elites.
When you hear people expressing populist thoughts,
what they're really saying is that the people running this country,
the ruling class, the elite has failed.
And we've just seen with two years of COVID
that the ruling class got everything wrong,
pushed these insanely destructive lockdowns,
lied about every aspect of the virus and pushed a vaccine that didn't work.

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So I don't want to rehash COVID,
but the point is just the elite, the ruling class, completely failed.
And yet their failure was covered up by the media.
It's the best example.
Let's just say it.
Let's just call it what it is.
It is the best example.
Right.
So I think people are justifiably angry about this failure
of the elite combined with the lack of accountability
because there's not honesty about what they're getting wrong.
And you see this pattern repeated over and over again.
So I think it's repeated in terms of how we got into this
completely unnecessary Ukraine war.
It's repeated in terms of the crisis we've had at the border.
It's repeated in terms of the export of all of these industrial jobs
to other countries.
And that has collapsed the cities with, you know, again,
we have hundreds of thousands of people living on the streets.
I think all of these things have made a huge difference in the lives
of many ordinary people in the country.
And so, yeah, this is a land of opportunity for people
who have certain kinds of skills.
Listen, if you are technologically inclined,
it's still a great country.
We're in this industry.
We know there's lots of opportunity.
It's always a great time to start a company.
But many people in the country have been adversely impacted
by these policies.
And there appears to be no willingness of the ruling class
to admit the problem and make changes.
The line Jason, you quoted where it was kind of like,
they know we know and they keep doing it anyway.
It reminds me of a line from Solzhenitsyn who said that
we know they are lying.
They know they are lying.
They know we know they are lying.
We know they know we know they are lying,
but they are still lying.
That's the vibe I'm getting is this Solzhenitsyn line.
Nick, if you just pull up the link I just sent,
this is a really important, I think, data set for us to all look at.

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And for everyone to understand what's gone on in the United States, this shows in \$20.20 per capita income in the U.S. by quintile.

So the top 5% of earners in the U.S., since called the mid-90s,

have seen a near doubling of their earnings.

The top quintile, which is the top 20% of earners in the United States, have seen their earnings climb by 60% since that time period.

But the rest of America, the other 80%, have been flat.

And I think if you were born into the United States

or told the story of the American Dream,

the story of the American Dream is you can come here,

work hard, be smart, put in the effort, put in the time,

and you'll be able to progress in your life in terms of comforts

and assets and all these things.

And for most of Americans, that story has not played out.

They've worked hard, they've put in the effort, they've tried to be smart,

they followed the rules, they've done what the systems and the governments have said

you should do in order to get the rewards,

and they're left with flat earnings over several decades.

And that's the story of America right now.

And because of this, the top 20%, the top 5% have acquired

an outsized amount of the assets, an outsized amount of the income,

as we all know and have all benefited from,

and the vast majority of Americans that have been working...

I have a question for Freeberg.

Freeberg, do you think that we should implement policies

to change the lines on this graph?

Exactly what I was going to ask.

I want to reference you guys to the Tim Ferriss interview

with Charles Koch from a couple of years ago.

In that interview, he gives a really good example,

and I'm going to mess this up a bit.

But he talks about how certain women that are hairdressers in the inner city,

they want to go do this hair braiding thing.

But in order to do it, they have to pay thousands of dollars to school

to get certified, and then they have to go to the city to get a license

in order to be able to do that job.

So the economic cost of getting there is insurmountable for them.

And there's countless examples like this,

where in the US, we've created policies that have attempted

to be forms of protection, or perhaps be forms of income generation

for cities and governments and so on,

that in the process, unfortunately, have limited the mobility

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of people that want to be individual earners and entrepreneurs in the US.

I think that is the first thing I would do to address this problem.

Give every American the opportunity to be an entrepreneur to build their own path.

Do you think that hair braiding, licensing, fixing that problem will cause the dashed black line or the blue line to shrink?

Or I guess what I'm trying to ask you is, should those lines shrink?

Yeah.

I don't think it's the government's role, right?

I'll tell you.

I want to hear Friedberg's answer, Jason.

I'll answer the question.

I've said this in the past.

If you shrink those lines, you will limit overall progress.

And what I mean by progress is improvements in productivity, improvements in advances in technology, in business, in economic growth, because we've seen this many times in the past.

There's a certain limit on taxation.

So one method is to tax, right?

Pull more money out of the top earners and redistribute it.

The problem is when you do that, there's less capital in the hands of those who have proven themselves to be good at driving productivity and improving access for goods and commodities, and things that are cheaper for everyone.

So there is a cost to doing that, and that has been...

This has played out.

I mean, this is the Roman Empire, this is the British Empire.

This has played out countless times in history.

In recent years, it's played out probably half a dozen times.

You're evading the question.

I just want to know what you think.

What do you think?

I think that there's an important balance to strike.

So I don't think it's about taking away from the top as much as it's about enabling the bottom, if that makes sense.

It doesn't, because that's what everybody says they want to do, and it's been 50 years of people saying that.

It doesn't work.

He's not going to answer, so you answer.

What do you think?

I'm just telling you there's a consequence to doing whatever we want to do

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to try and make everyone equal and end up in a circle.

Here's my issue.

The way that you present it, you tell it in a language,
and even I felt it, where I was like,

wow, this guy's really empathizing.

Wow, my God, he's really...

You're like, well, what would you do is non-existent,
and I think that that's the real problem.

A lot of people want to pretend that this is an issue,
and they want to get the sympathy of the masses
by giving the populist rhetoric of why this is an issue.

But when push comes to shove, and the question is,
do you believe that the dashed black line or the blue line
should be legislatively brought down to meet the other lines?

People just evade the question.

In my perspective, the answer is no.

You cannot do that.

And the reason why United States GDP is where it is
is because of that dashed line.

It's an existence proof of the fact
that this is the largest economy in the world.

And so one has to make a really simplistic decision,
which is, do you want economic supremacy
and then try to figure out ways of rebalancing things,
or do you not?

I say you absolutely must start with that,
which means that that dashed line and that blue line
will always have a rate of acceleration
that is greater than the other lines.

And that's just natural apex leverage
that exists in any company.

If you look at a company with 50% EBITDA margins
versus a company with 15% EBITDA margins
because one uses technology and the other one doesn't.
Capitalism is rife with these examples.

Yeah.

Chamath, that is the smartest thing you've said
in 142 episodes of the All-In-Pot.

But I agree 100% Chamath with your...

I think it's well said.

But then you should just say it.

I think we do a huge disservice
by pretending to care and then not seeing the ugly truth.

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The ugly truth is none of us want the government to try to bring that dashed black line or that blue line down. We want them to stay out of our way. That is the truth.

Yep.

So if you talk to that guy that wrote that song and his 80 million followers, what do you say to them? What do you say to them? I don't know.

Can I take a shot at this? It's my honest answer. I want to get Saxon.

Okay, look, I think when you see a chart like that, the natural instinct is that you want to argue for redistribution. You basically want to take from one of the top lines and just give it to one of the bottom lines. And I think that only works to a degree. I think it's important that we have a social safety net. But what we've seen is that Marxist redistribution doesn't ultimately work. It actually makes a society work. I think this is where Jamath is right. The simplistic solutions don't work. We're not going to move from fundamentally a capitalist system to a sort of Marxist redistributive system. But that doesn't mean that we can't do things to improve the situation for the average American. And I think there the policies are more complicated. But I think we could have much more prudent handling of our fiscal situation so that inflation, for example, doesn't eat away the wages of American workers. I think we could have a much more sensible immigration policy so that there's not, I think, a lot of competition for let's call it low-end jobs. I think we could have had a better trade policy with China over the last 20 years. I think there are things that we could do that were more nuanced that would have improved the situation for working-class Americans. And we didn't do it. And you compound that with, again, all these elite failures around things like COVID, around things like foreign wars. And let's add to this the Robert F. Kennedy Jr. critique

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of regulatory capture that the military industrial complex is bleeding this country dry.

And I think you add all those things together.

And I can see why there are complaints.

Of course.

There have been three major responses over the past 50 years to this problem.

The one and all of them involve creating budget dollars to fund access to everyone of three major things, which is healthcare, education, and housing.

And it sounds good in principle.

It is a good thing to say everyone deserves to have access to buying a home.

Everyone deserves to have access to an education.

Everyone deserves to have access to healthcare.

The problem is when the federal government has stepped in to build the programs to provide these solutions, they've created extraordinary incentive problems that have caused asset bubbles

and have ultimately caused failure in the underlying system that you're trying to give everyone access to.

We have told every American that they should put all of their net worth and more into their house.

And as a result, we've had to continue to drive up the price of housing in the U.S., drive up, create a housing bubble

by pouring a ton of capital in to keep that asset safe

and protected because it is where most Americans have put their nest egg.

We've given everyone access to an education

by giving free student loans out.

And those student loans have caused an asset bubble in the price of education.

And we have tried to provide healthcare to everyone through the federal government that has no accountability.

And as a result, the cost of healthcare has ballooned.

So I think the one question for you guys

is in the sense that most people are saying

these are three critical things that I need access to.

But when the federal government gets involved

and provides them the cost sores,

and we have all of these bubble problems and disincentives that arise in the system and money gets stolen and yada yada, what's the right solution then?

How do you provide sacks that 80% of Americans access to these things that boost their condition in life

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without causing what is effectively inflation across all of them?

I don't think those are the areas.

I would like to start by just saying,
when we look at this chart, I think it maybe looks worse
than it actually is in reality.

I think when you look at the chart, you say,

oh, my God, this is terrible,

but there are people around the world

who are fighting to get in this country

who want to be part of this chart.

Now, why do they want to be part of this chart?

It's because they perceive that even the middle quartile,

even the fourth quartile here, the bottom quartile,

they feel like that's better than their lot in life
in their country.

So this, if you were to expand it

and put a couple of other countries on it,

you would say, hey, even the people who are in the fourth quartile

in America are doing better than people in the middle quartile

in another country, and the opportunity is still here.

And that's my second point, which is how easy

is it or how possible is it for the next generation?

If you came here as immigrants, like many of you did,

and obviously my grandparents did,

how easy is it to get from that green line

to the orange one, the orange to the red,

the red to the purple, et cetera?

And that's why I think we need to focus on,

forget about all the programs, forget about tax, moving up.

How do you move up?

That's a wonderful point,

because I think the generalization

that this chart is like chart porn,

because it's meant to be titillating,

but it tells a very poor story of that exact dynamic,

which is if you started in the green line,

which I did, my parents made 32,000.

That's the most they ever made in their best year.

But most of the time with welfare,

we were on living on between \$15,000 and \$21,000 a year.

Yet somehow, we went from the green line

to the dashed black line.

So the thing that this chart isn't really representing is,

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is there enough people that go from green to orange,
orange to red, red to purple, purple to blue, blue to dashed black?
That's what really matters.
That's why I think this chart is mostly pointless,
because in fact what you saw
was that in any given cohort of people,
they were not the cohort before that was in the dashed black line,
you would say, wow, we're actually creating wealth distribution
in a very unique way,
which is an entire new cohort of people
are becoming wealthy in every generation.
If however it's the same 50 people that are in the dashed black line,
obviously that's not good.
But our lived experience is not that.
So I think like the real question is like,
can we just be, can we find a different way
of actually telling the truth using this information
so that instead of bear hugging,
random populist sentiments and statements
to try to win favor with people,
we actually just acknowledge the problem where it lies.
That individual that wrote that song,
which line is he on, which line was his father on,
and which line will his children be on?
That's the critical question.
It's not that the line shouldn't exist.
And nowhere else on earth would the three of us,
which line did you start on?
I started in the green.
I know, I'm asking for a break.
I just started between the fourth quartile
and the middle quartile.
When we moved to the U.S.,
my parents always just looked for gigs
that they could make money.
So you were a fourth quartile, you think?
40K?
Yeah, we had no money.
I don't know what to tell you.
I mean, my parents, we moved to L.A.
when I was six years old from South Africa
and they worked gigs their entire lives.
I think my family went from fourth to the middle

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and then my brothers and I all went up to
at least one or two lines higher.
By the way, another thing.
Sorry, I think that's the important story.
If you guys read some of the comments on YouTube,
which we always argue we should or shouldn't have,
but I just want to point this out.
To Chamat's point, there's immediate approximation
of people based on which quartile or quintile they're in,
rather than an approximation on their transversal
of the quartiles or quintiles or whatever.
And I think what's really true about all four of us
is that we all transversed the quintiles.
We all moved from there to there.
And none of us were wealthy.
Just a few years ago, we all made our way in the world
and in the United States in a way that we would not
have been able to anywhere else on Earth.
And I do think that that is the most powerful aspect
of American liberalism and democracy still.
I think this characterization of people based on their wealth
is what's so disturbing to me,
because you hear it from Elizabeth Warren,
you hear it from AOC,
but it discredits the fact that those people typically
were not wealthy a few years ago,
that the people that should be celebrated
are the ones that went from not wealthy to wealthy
through the means of creating things that ended up
being useful and productive or whatever the system
asked for, and they created value there.
And I think that the lack of recognition
of entrepreneurship, the ability for immigrants
to come to this country and transverse these quintiles.
It's one of the challenges, yeah.
That would require them to be a little bit curious
about the individual and to not use the individual
as just an object to win their argument.
And I think that is the sin of politics,
is that they're just using just different objects out there.
Zach, let me ask you the question then.
What do you say to the blue-collar worker in Richmond
that this guy is speaking to

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in terms of their ability to transverse those quintiles,
to go from low-income earners?
They're a blue-collar worker.
They work a union job or they work as a plumber
or they work in, you know, some manufacturing facilities.
Teacher, this is the point.
You're not supposed to grin-fuck him.
So by pretending like all of it, this is what they hate.
They hate all of you fucking people, grin-fucking them.
Stop grin-fucking them.
Stop pretending that you care, that you really care
and oh, woe is them.
But the reality is it is implicitly impossible
for anybody on this fucking podcast
to talk about how this system has not worked for them.
Okay?
And so what we need to do is actually take a step back
and just acknowledge the fact that we were in the green line.
We somehow, by a bunch of fate and luck and hard work
and opportunity that this country provided.
And so the real question is, what did that guy
can he do differently?
Has he done or shouldn't have done that has kept him in there?
And one of the things that I would like to bring up
that is really worth exploring for multi-generational Americans,
which is not talked about enough,
is when we introduced or when we, I'm talking collectively we,
Lyndon Johnson really, the war on poverty
that had an inexorable change in the dynamics of America.
In black wealth, in white wealth, in the trapped amount of wealth,
the destruction of nuclear families,
all of these trends started a few years post the introduction
of the war on poverty and nobody talks about that.
So I disagree with you, Freeberg, when you point to healthcare
and those are secondary and tertiary derivatives
of the actual war on poverty.
And that was Lyndon Johnson's signature legislation,
post the assassination of JFK,
and nobody really looks at what that actually did to change
and potentially misalign incentives in the United States
that have compounded to create this issue.
So I would say to the Richmond person,
I have enough respect for you, sir, to not grin fuck you

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and tell you how well was this graph.

I don't know what the solution is

and I think we just need to talk and figure out

to see if there are some ideas that can improve the situation.

But some of them do come to the fundamental incentives

that the government has created

that we need to either undo or change.

Zach?

Yeah, I mean, I think there's a lot of good points in there.

Just to echo some of the things you guys said,

I think when my family came to America in 1977,

I think my dad was making \$27,000 a year.

So it was green or orange or something like that.

One of the bottom one or two quintiles.

And then we moved up because he's a doctor

and had that education.

So, you know, how you do in this country

is going to depend a lot on what kind of education you have

and what kind of skills you have, like you guys are saying.

Now, that being said, I still think there is a policy role here.

I do think that a lot of the policies

we've had in this country over the last couple of decades

have not been great for working class people.

And I think there are things we can adjust.

But to Tamas point, declaring a simple war on poverty

that's based around redistribution doesn't work

because what we've seen is that it also creates a lot of dependency.

And so a lot of these policies backfire.

So, simplistic redistribution is not going to solve the problem.

However, I do think that having a policy response

that does try to create more opportunity

in these working class communities, again,

we didn't need to hollow out our industrial communities

by exporting jobs to China.

We didn't need to create all this low-end wage pressure

by basically having an open border for so many years.

So, there were choices that we made

that did make life rougher for these people.

And then when they start to complain about it,

we censor them or call them deplorables.

And so I do think that the response that the elite has

and that really the mainstream media has towards these people

does fuel the alienation and polarization.

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So, we could be reacting a lot better to the complaint here.
I'll tell you what's happened, I think,
is America went from a country
where people pulled themselves up by the bootstraps,
they believed in radical self-reliance
and that they determined their fate.
And then over time, we've solely looked at the government
as the determinant of our fate.
And what handout, what tax break for the rich,
what can I get, what edge can I get on the system,
what angle shot, how can I look at the government
as a solution to our problems.
And what I think all sides of the political spectrum
need to look at and celebrate.
And this is why I think Chris Christie and Vivek
are like really good candidates
is because they're not looking at handouts
or blaming the government
or looking to the government to solve problems,
but looking at your community, looking inside yourself
and saying, hey, what are the ways in which, if I want to,
if I want to move up the strata.
And remember, some people work to live.
They don't live to work.
They just want to do their nine to five,
put their time in and spend time with their families
or do their art, whatever.
Their job does not define them.
And we are a biased group of entrepreneurs
who are to find ourselves in large part
by what we do in our work.
Doesn't mean we don't care about our families,
but we put that front and center.
Some people don't want to move up the lines.
They're happy and content where they are.
But the entire dialogue in America
is about how unfair we split that tax base,
as you talk about Freeberg, the spending
and everybody wanting their peace
and everybody wondering who got a bigger piece of the pie.
As opposed to wondering, hey, how can I improve myself?
How can I provide more value to the world?
How can I build a business?

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How can I build a skill set?
And that's where the dialogue needs to move.
And I just, when I hear Vivek speak,
I disagree with him about a lot of things.
I hear Chris Christie speak.
I obviously disagree with him about a couple of issues,
but I'm liking those candidates
and I'm liking the direction they're going.
Vivek has a great line which is victimization is a choice
and you see different versions of it
on both the right and the left.
On the left, the victimization is based on identity politics
where if you're born into a certain group,
then you're automatically a victim,
regardless of really your circumstances.
On the right, it's more of this populist critique
where if you're a working class person
then you've been victimized by those policies.
I think there's some degree of truth in both critiques.
I mean, I do think that policymakers
have to meet people halfway.
We need to have policies that work better for working class.
We need to have policies that prevent discrimination.
At the same time, people can't just buy into this
victimhood mentality where they're like,
okay, I don't need to do anything on my own
to improve my circumstances.
The whole system is so rigged against me
that I don't need to take any agency for my own actions.
Also.
And I think it needs to be both.
We have to have policymakers and people meet halfway on this thing.
I also think that there's a social dynamic
that's also worth exploring here,
which is that we live in a culture where
a lot of people spend a lot of time
projecting a version of themselves,
and that version of themselves is mostly meant
to accrue social capital to them,
but by implication it's to make other people feel
envious of them as well.
And that's the whole, they'll call it the Instagram phenomenon.
And I also think, I just think it's important to acknowledge

that we live in a point where there's this heightened psychological sensation that everybody else is doing better than you are.

And so you have to find these mechanisms of rationalizing and explaining.

And I think that that's also very dangerous.

So Jason, to your point, there is so much respect.

A lot of the reason why I spend so much time in Italy is my friends here are just very, very simple.

You guys met so many of them.

Just normal everyday people.

And happy.

And they're happy.

And I have so much respect for that, because they have a balance in their life.

And one of the things that defines them is they don't spend time in these media formats that actually exacerbate the sense of being less than everybody else.

And I find that to be a consistent thread amongst all of these people that are really well balanced, that at every strata of whatever line you're on, the healthiest people in each of those lines are the ones that actually have a definition of themselves that comes from within, that is multifaceted, that generally includes a deep relationship with one romantic partner, and it includes their kids.

Everything else is very much secondary.

And it's not defined by where you want to go and where you want to be.

It's defined by the day you're living.

I had a great conversation after a lot of wine and tequila and beer.

With Drake?

And I don't know what else.

At Chumat's wedding, actually.

I forgot the guy's name.

So with Drake?

I said to the guy, this Italian guy,

Chumat, I'm sorry, I forgot his name.

Really nice guy.

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And we were talking about the difference
between Americans and Italians
and how the Italians are all about
let's just live for today, enjoy our moment,
enjoy our experience, enjoy our time.
The Americans all just want to talk about
where things are going, where we're headed,
what we're looking for, what we're trying to achieve.
And so much about the irony is
I've got my brother visiting from Europe this week.
And so much of the conversation
difference that we've talked about
is in America we talk about winning.
It's like everything is a contest.
Everything is about getting ahead.
Everything is about a challenge.
Everything is about what's next.
How do I get to the next level?
Scorecard.
Scorecard.
And that's what's made us the greatest entrepreneurial
society, the greatest 250 years of progress
in human history is that spirit.
I disagree with that.
I disagree with that.
But it also makes you profoundly sad.
If you only live for the scorecard and not the game,
I don't think entrepreneurs have a scorecard.
I don't think they're looking at somebody else saying,
I'm going to beat that guy.
I don't think that that's where it comes from.
Forget about the term score, forget about competition.
Just make it about progress.
Where am I going?
That we orient ourselves around where are we headed
versus where are we today?
Just enjoying this moment that you have today.
The moment.
And I think that there's a big cultural difference
between the U.S. and the guy I was sitting next to
at your wedding, Chamath.
These folks are just very much about enjoying this
experience and not thinking about what's next

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and where we're going.

We come in.

Everyone saunters around.

No one's thinking about what time we have to start.

Everyone's just enjoying their time with each other.

And the Americans are all like,

what are we starting the wedding?

What are we doing this?

What are we doing that?

And the first step for that I find is when you first

meet somebody, and I encourage all of you guys

to try to do this, is to not go to what do you do

as the question.

Right.

How long can you go without asking that question?

What do you do?

And I find it's so amazing to actually have conversations

with people where that question never comes up.

You will really, really, really learn a lot about people.

I think a lot of this also is like, you know,

I was watching the Senator Tim Scott.

I'd love to have him on the program.

I know he's maybe not got the highest percentage right now.

And we got a bunch of other candidates coming on the

program, by the way, for the audience.

But I was just taken back by, I saw Joy Behar or whatever

the host of the view is.

Joy Behar.

And Joy Behar.

And she was just admonishing him that he doesn't

understand systematic racism.

He's a black man.

And he's like, I am the product of the American system.

I'm proud of where I got to.

And she was, you know, she's constantly trying to make him

feel worse that the, you know, the conditions are terrible.

This is, it's funny because like it was a very weird disjoint.

Somebody basically saying that Tim Scott is not allowed

to be proud of his journey.

Basically, that's what she did.

Why?

Who's right is that?

Just take the win.

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Like just let him, you know, yeah, it's really weird.
And I just want to take one other moment from the song.
Because this song got pegged as like, maybe it's propaganda.
I don't know if it is.
Maybe this guy, people started doing their like, how do we
take this guy down?
Like the left and the right lunatics, you know, on the fringe
always try to do something happens.
That's nice or, you know, whatever.
We got to take the person down.
And maybe the guy is a lunatic.
Who knows?
He's just an artist to me.
But he liked or had a playlist of 9-11 conspiracy theories.
But he says here in the song, Lord, we got folks in the street.
He ain't got nothing to eat.
And the obese milk and welfare.
Well, God, if you're five foot three and you're 300 pounds,
taxes ought not to pay for your bags of fudge rounds.
Talking about the welfare state.
Young men are putting themselves six feet in the ground
because all this damn country does is keep kicking them down.
Referencing, I think, you know, Jordan Peterson
and the suicide rate amongst young men and their hopelessness
and, you know, et cetera.
And it's very hard.
I think I would encourage people to be careful trying to pin this
as a left or a right song.
This is about, you know, working class people feeling frustrated
with the system was my read on it.
And maybe even fighting back and taking a little bit of their power.
But a great song.
Congratulations to him.
And I hope he writes some more tunes.
Reminded me of pick a song like The River by Bruce Springsteen
or Telegraph Road by Dyer Strait.
So many great songs about the working man.
Congratulations on hitting number one.
And everybody else can tear it down.
And in the comments, you can tell us we're out of touch
even though we moved up the lines.
I think that's, by the way, why some people like this show
and, you know, because maybe we did move up a couple of lines

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and maybe we might have a perspective at some point in, you know, how to do that.
Let's move on, I guess.
I think everybody got their shot at this.
All right. The big short, too.
Michael Burry.
He just made a bet against the markets.
This was trending.
I'm not sure how much of this is all true, but there's been some reporting on it.
Burry's fund has recently bought 866 million and put options against the S&P and 739 million puts against the NASDAQ.
These are headline numbers on the SEC.
There's probably more to it.
Contacts, obviously, we all know the market's ripped.
NASDAQ up 37% this year.
S&P up 15% this year.
Inflation getting cracked.
GDP looking strong.
Unemployment on the floor.
Number of job openings still above 9.x million.
Pretty crazy to think about how resilient this economy is with pockets of disastrous stuff.
But what's your take on this, Friedberg?
Yeah, I think the reporting's a little wrong on this.
This came out of a 13F filing, and on the 13F filing, when you report option contracts, remember each option contract represents 100 underlying shares.
And you don't have to talk about the strike or the expiry on the option contract when you do the 13F filing.
So we don't actually know what the strike or the expiry is on the option.
That dollar amount that's being reported is when they take the number of option contracts and multiply it by 100, which is how many shares per contract, and then just use the price on the actual underlying index.
He may have paid a dollar an option.
He may have bought an option that was three years out and way out of the money.

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This could be much smaller.
It could be much smaller.
It could be a short-term contract.
It's just a near-term hedge on the portfolio,
and we have no idea which the actual dollar value
of the contract is.
It could be really way out.
It could just be a short-term hedge.
So we really don't know directionally
or magnitudinally how significant this is.
So it's a bit of a misreporting.
Without knowing the strike and the expiry,
we don't know how much he actually spent buying these puts
and what the bet really means.
Is it a near-term bet or a long-term bet?
And what percentage of his portfolio, right?
You don't have to disclose in the 13F
what your short positions are.
And so all you have to do is disclose
what your ownership is.
So my suspicion is that Michael probably has
what's called the short straddle on.
And so a short straddle is when you're basically selling a call
and you're buying a put.
And so we've talked about these a lot,
which is instead of taking a naked exposure for \$1.6 billion,
which seems very aggressive and risk-on,
and he's not the type of guy,
if you look at his trading activity, that does that kind of stuff.
His typical positions are 50 basis points,
80 basis points, 100 basis points.
So he's not a big risk-taker.
So what he probably has on is what's called the short straddle.
And what you don't have to disclose in these 13Fs
is the other side of the trade where you're short a call.
And so I suspect that's what that is.
So this is a big much ado about nothing.
It's good headlines in a moment where there's not much to talk about.
It's August.
And the media, you know, this is the media business
losing its business model and Google and Facebook taking all their revenue
and Craigslist and Facebook marketplace taking all their...
And Michael, by the way, Michael can go on Twitter

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and tell us that we're wrong.
Yeah, for sure.
But I would bet dollars to donuts.
He's got a short straddle.
Didn't he go off Twitter?
He's like done with Twitter?
He goes on and off and he auto-deletes his tweets.
So I said a zappier up.
Anytime he tweets, it puts it in a slack room for me.
Have you guys noticed the quantity of wine I'm drinking?
This is my second one.
Yeah, two guys on glass.
We're getting a little worried here.
Whoa, whoa, whoa.
You got ice cubes in that?
No, but let me just say this.
Look, I'm back in the United States next week.
So this is the end of the vacation.
The end of the...
Yeah.
It's end of a one month where I don't exercise
except for swimming and walking.
I eat gelato every day and I drink wine every day.
So this is the end.
And then I'm back.
What's the weight difference?
Day one to day 30.
What's day one to day 30?
Look at that perfectly chilled Montrache.
Oh, look at that.
The glass is perfectly chilled.
I can see the condensation.
I see the condensation from here.
I've gained two and a half kilos.
So what is that, five pounds?
Six pounds.
Yeah, that's fine.
That's livable.
That's livable.
I have a moderate four pack.
That's two weeks of munger.
No big deal.
We'll get you back in the game with a little bit of it.

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We'll get you back in the game, kid.
I'm going to see Jay Kellen in about an hour.
Freeberg and I are going on a love walk.
You know, we have a lot of romantic moments,
so we're just going to do a little...
Can I shift the very short...
Oh, yeah.
Before, just my last point on the birthing,
the media needs to do a better job of making sure
they understand these things just a bit
because the headline is just a little bit weird
without knowing all the context.
It's very hard to be a finance writer,
because if you're a great finance writer,
you could be in finance and be a capital allocator.
Oh.
Hey, kids.
Yeah.
Where's the monkeys?
Where are the monkeys?
I'm so sorry, I'm so sorry.
Hold on, hold on.
Get it in a gelato?
Yeah, let me fix it.
Let me fix it.
Where's the gelato?
You know, these two kids this past week
were literally like jumping.
There goes the light.
There goes the camera.
They were jumping in the sea.
These two kids were swimming without any help whatsoever.
It was the most incredible thing to see.
When little kids learn how to swim,
isn't it joyous?
It's incredible.
It's joyous.
It's joyous.
Okay, back to you guys.
Sorry.
Back to you.
I love you.
Bye-bye.

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Let's talk about wealth disparity from Italian coast.

All right, Zach, with your \$500 Moncler hat,

let's talk about wealth disparity.

Go.

No, it's my point.

It's not about wealth disparity.

Okay, sorry.

I think we should follow up on where the economy is right now

and what the macro situation is like

and why Michael Berry might want to short the market.

Yes.

So, in terms of where things stand today,

I think the consensus view of the street

is that inflation is largely in the rear view mirror.

It was down to 3% last month.

And the bet now, I think,

is that it will continue to remain low.

It will be in this 2.5% to 3% range at the end of the year.

And therefore, the Fed will be able to cut rates next year.

And the market has rallied quite a bit in anticipation of that.

I think that is the consensus view.

I think there are at least two really big risk factors to that.

One is that inflation could still rebound.

We haven't really gotten that many months of good inflation data.

And if inflation ticks back up,

if there's another wave of it in the next several months,

then there will not be rate cuts next year.

And that means if its rates are higher than anticipated,

valuations come down.

So, that would be a big risk factor to the market.

The other big risk factor is, I think, in the real economy.

It's true that the economy does not seem to be hurt so far

by these huge interest rate hikes that we've had.

However, there is typically a big lag in the impact

on the real economy of rate hikes.

And I think you could still see these rate hikes take effect

over the next several months.

And you could see a real dip in the economy,

potentially a recession.

And that would be a big risk factor to the markets

because right now, the markets are pricing in a soft landing

or no landing.

They're pricing in the economy.

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We're just going to do a fly-by.

Right.

So, what is the evidence that there might be a lag?

Well, a couple of things.

And it really has to do with real estate, which I think is the most impacted asset class by rate hikes.

You saw that the mortgage rate is the highest it's been in over 20 years.

Yeah, since 2007.

7.09%.

And the rates I'm seeing in Florida and other places, mortgages are like 8%.

Well, if it's going to cost you 8% to buy a new house, and it used to be 3% a couple of years ago, you're not going to be able to afford to buy that same level of house.

And you can't afford to sell your current house and buy a new one because your current house is financed to 3%.

You're not going to give up that mortgage to trade into an 8% mortgage.

So, we're already seeing a huge reduction in the number of transactions in residential real estate.

And so, that means that we're not seeing a lot of fresh marks in terms of where prices are.

But that doesn't mean the valuations haven't gone lower.

I think that as this washes through the system, you could see a big correction in the values of residential real estate, which is most people's main asset.

So, I think there's a big risk factor there.

The other big risk factor is on the commercial real estate side.

There was an interesting article in the Wall Street Journal about distress funds are forming in anticipation of a lot of commercial real estate projects basically going under.

So, the vultures on Wall Street are going to be looking to scoop up these projects.

I think the really interesting thing about commercial real estate right now is multifamily.

Until now, the conversation has all been about office space.

And we know that office space is impaired because of the high vacancy rates that the sector just hasn't come back the same way since COVID, right?

Exactly.

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We're starting to see real distress in the multifamily sector.
Now, why has this happened?
Because multifamily is full.
There's no vacancy problem.
Yeah, it's hard to get a home.
And more people would be renting if mortgages are high.
The problem is not on the demand side.
The problem is in the capital stack.
So, let me describe the problem of what's happened here.
Let's say that you are a real estate developer
who bought multifamily.
You bought it at a certain price level.
Let's say you financed it two thirds with debt.
You now need to go out and refinance that project
because let's say you did a value add.
Let's say you basically did some improvements to it.
That means you didn't put long-term debt on it.
You can't put long-term debt on a project that's not stabilized yet.
If you want to do value add work to it,
you get what's called a construction loan for two or three years.
So, there's a lot of real estate developers who need to go out right now
and finance these projects that they bought.
And they bought these projects at the top of the market.
So, let's say you're going out now to refinance.
First of all, the rates are much higher.
You're looking at paying eight or nine percent
instead of the three to four percent that you had penciled
in your model a couple of years ago.
Moreover, there's another problem, which is potentially even worse,
which is loan to value.
You had basically gotten two thirds loan to value a couple of years ago,
but values were much higher.
Now, values are lower because, again, multiples have shrunk.
As interest rates have gone up.
And so, the amount that you can finance is much lower.
So, you either have to top that off
by coming out of pocket with your own equity,
or you have to go to one of these mezzanine funds.
So, now there's these mezzanine funds.
They are total sharks, and they're going to charge you
not eight or nine percent, but like 15 percent.
So, your capital stack has basically completely upside down.
You thought that you could borrow all this money really cheaply,

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but now it is super expensive,
and this project no longer pencils,
meaning you're underwater from a,
you've got negative leverage on the project.
And so, I think you're going to see, again,
not just impaired office space, now impaired multi-family.
And there is not, I think, a sector of real estate developer
who is not in distress right now
if they need financing in the next year or two.
Dax, what do you do if you get a better rate from Hesh?
David, what do you do if you're long these assets?
Do you just default on them and just give them back to the bank?
One major real estate guy told me that the big guys like,
you know, Blackstone, the words he used was
they are throwing their keys at the bank,
meaning they are so underwater,
they're not even going to bother trying to figure out a workout.
They're just going to give the key,
they're just going to say to the bank,
you own this asset now,
and they're going to move on to the next fund.
That was his take at least.
You sent a tweet to the group chat about the last line of like hope,
which was called a hope note,
which is like where one of these mes financiers just takes your property
and then if they happen to hit your high watermark again later on,
that you would get some, you know,
itty-to-insurance and get a little taste of the sale.
Chamath, you had a tweet about the housing, what's your take?
Well, no, my only thought around housing was that
very much just supporting what Saks just said,
like we're in an incredibly untenable situation,
mostly because as rates go up,
mortgage applications go down,
and so what you're seeing is just like the number of people trying to transact
is very small.
And so the inventory is very small.
And so Saks said well,
so I don't really have much to add except that
when you think about where this lands squarely in terms of
the wealth creation that it's supposed to represent for most Americans,
it's a very difficult situation.
It's frozen.

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And this is, I actually think the,
like people talk about the political pressure from the White House to the Fed.
And I think that this actually is probably a very powerful lens
with which to look at it.
And the reason is because this touches all voters
in every state across all political lines.
And I think when people talk about is the economy doing well
or is the economy not doing well?
And as a result, where are your political leanings?
I think something like this actually represents a much larger percentage
of how people represent whether they feel they're doing well than any other thing.
Even earnings, quite honestly,
because I think that a home is just such a fundamentally visceral psychological component of safety.
And a percentage, a large percentage are well,
and 60% of people own one,
and the people who own one are the people who vote.
So it may only be 60% of people,
but it might be 80% of voters, I'm not sure.
I think that could probably be very well be true.
So my only point in that was just more that this could actually,
if the Fed is susceptible to political pressure,
I think this is the kind of thing that pressures them to move forward
the point at which they start cutting
and just start to let go of the release valve
just because there's just too much pressure in the system.
Yeah, there's talk of them doing a safety rate hike,
doing another 25 bps at the end of the year just to be safe.
And I think one of the things we've learned here is...
I don't think the data really supports that, to be honest with you.
No, but they've made poor decisions this whole time,
and this is not like the Fed's impact with this tool
is not like driving a car where you hit the accelerator,
you hit the brake, and you get an immediate reaction.
This is more like driving a train where it takes a little while to get up to speed,
and if you slam on the brakes, this thing can come off the rails.
And that's the scary part for me.
Just to build on what Sak said,
the most interesting thing about this for me
is that typically we think about the Fed as being very silent in election years.
They really don't try to get that involved
mostly because they don't want to seem like they're tipping an election one way or the other.
The problem that we have is that rates are at a near-term high.
The tenure is ratcheting up faster than we ever expected.

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It's rallied in terms of rates,
meaningfully more than anybody thought since the beginning of the year.
And so now we're in this odd position where will the Fed cut?
And why will they cut?
And if they cut, will they cut sooner than they would have?
If they hold on, is it that they just want the country to enter a recession,
in which case they want to see, quote unquote, regime change?
It's a very interesting set of financial and political politics
that I don't think we've seen in recent years.
Yeah. Well, there's a lot of real estate developers
who are literally hanging on by their fingernails
and they're hoping and praying for a rate cut.
The problem they're going to have is that even if inflation doesn't rebound,
even if the Fed does cut rates next year,
the rate that the Fed cuts is the short rate.
It's basically the Fed funds rate.
That's at 5.5% right now.
Even if they cut that to call it 3% to 4% next year,
there's no guarantee that the tenure rate,
which is what real estate developers get financed on, will move down.
The tenure rate is what is it now at like 4.5% or something like that.
And that rate may not come down.
A lot of economists are worrying about this.
Larry Summers warned about this because the federal government
has such huge financing needs.
And so just because short rates come down,
there's no guarantee that the long rate is going to come down.
And so there may not be this relief that real estate developers
are looking for next year.
And again, there's this wall of debt that has to be refinanced.
I'll give you an example from my own portfolio.
I have a building just to simplify.
You've got a couple of buildings, but okay.
I've got a building that's worth about \$15 million.
It's an office building, okay?
There's a \$9 million loan on it that is coming up to be refinanced
at the end of the year.
So I'm talking to the lender about rolling it over.
And what they agree to do, here are the terms.
They agree to give me \$2.4 million out of the nine secured by the building.
That's it.
They wouldn't roll over the nine.
They'd only give me 2.4.

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For the other 6.6, they wanted me to post additional collateral in the form of public securities.
So they basically wanted me to fully collateralize the loan.
So in other words, they're adding like a margin account on top of commercial real estate loan.
That's exactly right.
That's exactly right.
So they want me to over collateralize the building with a bunch of securities.
So why do you need a loan from them?
It's not a real estate loan.
It's not a real estate loan.
It's not a real estate loan.
Yeah.
Right.
And they want me to personally guarantee it.
That's not a real estate loan.
It's just salby shares.
No.
You just saw them participating in your building.
No, you saw them participating preferred in your building.
What the fuck?
Right.
No, he took out a margin loan on his own security portfolio.
So what I said is, listen, I don't need this.
I'm just going to pay it off.
So I'm going to pay off.
That's exactly right.
And I'll just own the building 100%.
And when this credit crunches over, whether it's next year or two years from now, I'll just refi it then.
But here's the thing.
The average developer can't do that.
Like, how do they go out and just get that extra \$9 million?
Well, Sacks, let's just point out the opportunity cost to you.
You could buy treasuries that pay you 5.5%.
So your actual cost on that capital that you're using to finance the building yourself to buy the debt is costing you 5.5% a year of risk-free income for the \$9 million.
Yeah, it's not a pleasant situation.
It's something that I can manage through.
But my point is that this is something that's going to be afflicting pretty much every real estate developer who needs to refinance in the next year or so.
And they don't have what you have.

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They don't have the backstop.

Yeah, exactly.

They don't have the chip stack.

And by the way, my real estate guys tell me that this deal that I got offered is a good deal right now.

Oh.

It's a good deal.

Yeah, that's a good deal.

At least they were trying to be flexible and work with me.

Most of these lenders, they're just like not even open for business.

I heard there's just no bid.

I mean, these guys I know that work in commercial real estate debt said they're putting out these syndicated loan proposals to the typical funders.

And there's no bid.

They're like, well, just tell me the rate.

They're like, there is no rate.

There is just no bid.

Well, interesting news.

We've been talking a little bit about these bond offerings, et cetera.

And the U.S. is with the higher yield still continuing to draw buyers.

Japan, very soft in terms of getting people to buy their securities and \$127 billion this year into funds that invest in treasuries on pace for a record year, bank America Corp. said last week.

All right.

Let's move on to...

We got Nvidia left on the docket.

We got Hoppin as a peak Zerp.

The founder sold out a lot of shares.

Let's pick one of these stories.

Or we got the SBA, which is going to be big drama next year when this goes to court.

Or, Saks, we could go.

Those are the stories.

There's not a lot of meat on them.

I think let's just spend five minutes.

Trump, should we do the indictment?

Giving you your red meat.

Oh, me giving me my red meat?

I think five minutes of you ranting and doing your TDS and then we can wrap.

All right.

Well, listen, I don't want to speak to your TSS, your Trump Stockholm Syndrome.

But I will say that Trump, yes, has his fourth indictment.

You thought the hat trick was a lot?

Well, now he's got four.

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Fulton County, Georgia, 13 felony counts.

But this one's incredible.

It's got a lot of co-conspirators.

And all I'll say is there is a small town in Georgia.

Coffee is, I think, the name of it.

And there were a bunch of election machines and a group of this whack pack went in there and committed a bunch of cybercrimes accordingly.

And it's not clear yet, but when this thing goes to trial, just keep an eye on that.

There's an incredible lawfare article and we'll put it in the show notes and a podcast.

But I think that opening up the aperture of it is what's really interesting to me.

What I'm seeing is I think there's a lot of viable moderate Republican candidates that would appeal to somebody like me.

I have voted 25% Republican, 75% Democrat.

I'm a moderate but left-leaning moderate, I would say, on social issues, fiscal issues.

I'm definitely in the Republican camp.

But I'm looking at Christie.

I'm looking at the vet.

I'm looking at a lot of those kind of Republicans, even Tim Scott, and saying, you know what, maybe that's a better choice than Biden, who is very senile.

And I think the Republican Party has its moment right now to disassociate itself and say, enough with the Meshugana, enough of Trump.

And you're starting to see Pence come out very strongly in sacks.

Vivek is still bootlicking, I think, and is still trying to get the VP spot with Trump.

I think it's a huge mistake.

And I think Christie, and maybe it's time for your guy DeSantis, who is in the pardon camp as well, but maybe it's time for him to maybe start criticizing him.

And then I think it's time to negotiate a pardon for both Trump and Hunter Biden.

Pardon both of them, get him out of political life, and let's move on as a country.

I believe that you're going to see Chris Christie and Vivek Surge.

It's going to be a three-horse race with DeSantis.

And I think Trump's going to be out of the race in the next six to 12 months.

That's just my prediction.

Your thoughts?

Thanks.

Well, I want to give you a chance here to expound on your blue meat.

Not red meat.

For you, it's blue meat.

Blue meat?

Your TDS is flaring up again, Jason.

I think it's amazing.

No TDS.

So let me ask you to expound on this pardon theory, because you claim that you think that Trump is now playing for a pardon.

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I think he's playing for a pardon, yes.

Can you explain that?

How do you get from here to there?

I think he is going to go buck wild.

He is lashing out, et cetera, in the hopes that he can cause so much chaos, because you're seeing him with these tweets that are kind of border lighting on violence and inciting people, gag orders, that kind of stuff.

I think he's going to keep pushing the envelope to the point at which he breaks the Republican party, makes Americans really burnt out, because the Republicans can't win with him.

He's got 30% support wherever he's not going to be Biden.

You've said that before.

I think everybody knows it.

He's the weakest candidate in the field, and I think you guys really want to get a win and you want to move past him.

So I think this combination of the Republican party flipping on him and you're starting to see the crack and people starting to criticize him.

Once the evidence comes out and people see him in court and people hear the details of his criminal behavior, his abhorrent behavior, his behavior that Vivek, Governor Christie, either side of the aisle would never participate in.

I think there's going to be, kind of the United States is going to say, you know what?

Pardon him.

Blanket pardon if he just steps out of public life.

And I think Biden's going to need a pardon too for Hunter.

And so I think this could be the solution for everybody to move forward.

It sounds crazy, but I think that the stuff that's going to come out is going to be much worse than Watergate.

Specifically, you know, again, I'll reference the article of some of the behavior of his whack pack and what they were doing, you know, in a coffee county like the beverage Coffee County, Georgia, when you start hearing what they did, you know, lying, forging documents and basically committing computer crimes.

This woman who Trump, Sidney Powell, Trump put his fate in Sidney Powell and Giuliani is a critical error.

And I think it's all going to blow up in his lap.

These people were lunatics.

They were committing crimes.

And I think they're going to get him.

And I think he's going to need a pardon.

So he's not built for jail.

I can tell you, Trump is not built for jail.

Well, this is one problem with your theory, Jason.

Go ahead.

President can't pardon state crimes.

That is true.

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I think they could be a grand negotiation.
This Georgia Rico indictment can't be pardoned.
Well, however, I do think that there could be a plea.
And so this could plea out.
I think they probably want to plea it out every.
Well, all people want to play this stuff out, right?
Both sides.
That's what you're about to talk about.
I know.
And you know what?
If you want to talk about deep state conspiracies and sacks, believes in this deep state conspiracy, here's a conspiracy.
I don't.
I just think that you think rationally when it comes to this stuff.
OK, fine.
You didn't know that Biden appointed Merrick Garland.
You didn't know that these Georgia Georgia can't be part of the federal and the state crying.
Of course I do.
Of course I've talked about it being not pardonable before.
I think there is going to be a grand reconciliation.
I think everybody's going to get together and say, how do we move on?
And that might even be underway right now.
The one thing that's definitely not going to happen is Trump takes a plea deal.
He's going to fight this to the bitter end.
Well, you know what's going to happen?
I said it back in August last year, and then I said it last August when they raided Mar-a-Lago is that the way they're carrying on with these lawfare attacks on Trump.
We now have the fourth indictment.
Apparently he's a mobster.
They're going after him with a RICO statute that was invented to get organized crime and mobsters.
And apparently these lawyers you relied on as dopey as they were.
Apparently they're like button men for the mob who have to be indicted as well into this RICO statute.
I think people can see this for what it is, which is it's a.
Something of the right word.
I mean, it's basically lawfare, right?
They're bending the law in any way they can to go after Donald Trump.
And I know that his behavior wasn't wasn't good in this, but I don't.
Do you think anything might have been criminal?
No, I'm part of that.

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A hundred percent.

You don't think it's criminal.

Okay, interesting.

Let's look at that Fox News poll where they asked.

Do you think the Republican Party, let me see this.

They think the Republican Party is going to cut ties?

I think the Fox News poll asked the right question, which is in connection with efforts to overturn 2020 election, did Donald Trump do something illegal, something wrong, not illegal?

Nothing seriously wrong.

I'm in that middle.

I'm in the middle bucket.

I think it was wrong, but not illegal.

And look, I think that what Democrats are doing with this partisan law affair is that they are polarizing the outcomes.

They're either going to send Donald Trump to the big house or to the White House.

That's what I said back in August last year when they raided Mar-a-Lago.

They're going to send him to the big house or the White House.

I'm here for the pardon.

I'm here for the pardon.

Do you think the Republican Party is going to support him or do you think they're going to break ties and try to move on?

And what do you think they should do?

I keep trying to explain this.

They see the way in which the law is being misused, is being weaponized in a partisan way to get one of the major candidates for president.

They're trying to drive him out of the election.

I know. Do you think the Republicans are going to stand by him as he goes to court and these trials start happening?

I think that...

They're rallying or cut ties?

Of course, they're rallying around him.

It's ensuring that he will be the nominee.

Okay.

I think they're going to cut ties.

And the Republican Party is going to expel him.

Jake Heldt, did you not also predict that Jeff Bezos was going to run for president?

I think Jeff Bezos will run in his lifetime.

And not necessarily this one.

I said, you know, I think Jeff Bezos will run in his lifetime.

I think when you...

Jeff Bezos is living his best life on a yacht with his hot girlfriend.

I know. It's a \$500 million yacht.

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You can do that in a nice yacht.
And then I was like, \$500 million?
Your yacht delivers his toast every morning.
Oh, man.
Give me a break.
Jesus watched Bob Iger try and get back in the ring.
He realized...
He'll do five, ten years.
He'll do five years max.
Five years max on a yacht.
You get bored out of your mind.
It's so crazy.
My yacht has a support vehicle.
His yacht has a support country.
It's called Malta.
Your support yacht is his being...
His...
It's incredible.
Five years.
That's the max you can do on a yacht.
His boat is incredible.
He sacks it one year on a yacht.
Sacks it one year on a yacht.
Never again.
He's done.
It's too boring.
Yachts are boring.
Yeah.
Jake Heldt thinks it's a groundswell to put guys with huge yachts in office.
I think...
I don't think so.
Listen to that song you played.
No, I think Bezos...
You're still on this Bloomberg trip.
He spent a hundred million.
Got to the first question, the first debate.
Boom, he's out.
Yeah, no, he missed his window.
I would, man.
Bloomberg would have been great.
I'll go Bloomberg.
I'll go Jeff Bezos.
Jake Heldt's betting on the yacht groundswell.

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I mean, a boy can dream.
Are you telling me you wouldn't vote for Bezos if he was a gander?
Yes, of course you would.
Would you vote for Bloomberg?
Of course you would.
You want an executive in there.
That's what the country needs, a professional executive.
Who's your non-traditional candidate for you, Berg?
Who would you love most?
Who's, you know, like a, you know, not going to obviously run?
Or like it would be a small chance.
Who would you have?
Yeah, I'm an economist.
And someone who was an economist.
They're just terrible political speakers.
They're just not good at that.
Chamath, who would be your wildcard?
Hold on, I'm texting.
I'm texting Nat to bring me another glass of wine.
Oh, God, he's so drunk.
I think we're wrapping up.
He's on glass four.
Oh, glass four.
That's glass four on air.
We don't know how many he pre-games.
Keep going, keep going, keep going.
I'm going to keep drinking.
Keep pre-gaming.
Saks, who is your wildcard?
If you had to pick a wildcard, non-traditional, not for this election,
but for an election, somebody who is not part of it.
Is it Peter Thiel?
Are you going to be Peter Thiel?
No, no, out of this election.
Listen, I've supported either financially or at least verbally,
RFK Junior, DeSantis, and Vivek.
I mean, how many more candidates do I have to support?
I'm, okay.
Can you guys give me a favor?
You're claiming to Trump.
When are you going to unload Trump?
I'm like, what are you talking about?
I'm supporting three candidates, not named Trump.

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But for you, it's never enough.
Well, no, I want to hear you throw him into the boss and say,
we'll see, someday you will.
Someday you'll stand up against him.
I said what he did was wrong.
I just don't think it was organized crime.
It wasn't a Rico indictment.
I want to hear you say he should drop out of the race as an influencer
in the party.
I want you to say you should drop out.
That's all I want you to say.
All right, let's move on.
Well, how about David Portnoy?
No, I want to talk about Adyen being down 40% of it.
Okay, that's a stock web public.
That's a compatible swipe.
Since 2018, this one's incredible.
Since 2018, Adyen has reported every six month period of growth
at least 26% or greater, and they reaffirmed a 65% EBITDA margin.
And they were down at one point today, 40%.
Cool.
Oh, the channel.
Holy cow.
And so if you look at Adyen, what does it mean about Stripe?
And I think the answer is that Stripe, at that \$50 billion, \$55 billion
around, is worth \$25 billion.
So there's a 50% markdown right there.
That's a 25...
Peaked at 100?
Peaked at 100?
Bill Gurley had a great tweet on this.
Multiple compression is a bitch.
Multiple...
It's the same thing that's happening in real estate.
Same thing that's happening in real estate.
Yeah.
The reason why...
I mean, it might be a buy.
It might be a buy.
The reason those multifamily developers are getting whammyed right now
is, again, it's not because of vacancy.
Everyone wants their apartments.
The problem is multiple compressions.

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The value is much lower, which means they can't get as much debt.

So all of a sudden, they got to pony up a bunch of equity or get expensive mes to fill out the capital stack.

This is the problem, is there's multiple compression everywhere, and it's just taking time.

Yes.

It's taking time to work through the system.

This is a train.

What is Stripe worth?

Not a comma.

Sacks.

David, where do you buy Sacks?

Where do you buy Stripe?

I think you're right.

I think that we have an almost perfect comp there.

So yeah, you're right.

Down 46% year-to-date.

That doesn't even include what happened last year.

Yeah.

Right?

Yeah.

So I think you're right.

Stripe brought you 20, 25, 20, 25 billion.

The thing to remember about all these businesses, Stripe, Aden, PayPal, is that they're middlemen businesses, which by definition means that they don't have pricing power.

They actually have to reflect the prevalent pricing power of the incumbent sponsors of their technology.

So for example, if you have a deal with McDonald's, McDonald's bids you out to five different people, and they pick the cheapest one.

So your margins over time tend to be compressed, and over time your share of profits tend to be compressed, and you have to give up a lot.

So how do you maintain profitability?

So when Aden maintains 65% EBITDA margins in the face of this revenue decline, the only way they can do that is by cutting staff, using more technology,

and creating OPEX leverage that replaces what they're losing.

So the real takeaway is that this is a very tough, tough business that is a race to the bottom,

and it is a surplus business that benefits the buyer, i.e. the Ubers, the McDonald's, the door dashes of the world, not the seller, i.e. the Aden's, the PayPal's, the Stripes.

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What's the changing cost?

You know, if you're Uber and you negotiated a deal for three years with Stripe, and then you go to Adyen and you negotiate your next deal, and they want to win it because they need the top-line revenue, and now you've got a dogfight, let alone all the other players who are going to do competitors.

These are all race to the bottom businesses, and so...

Tough business, tough business.

If you have a very diffuse business model where you're trying to do too many things, and so as a result you have a somewhat bloated OPEX relative to a company that's going to do a lot less but do it just much better,

I think you're going to be very challenged.

Yeah.

Well, you know, this could be the buying opportunity for a lot of these equities if you believe in them long-term.

And so Dan Loeb is placing a bunch of bets.

He bought some Uber.

He bought NVIDIA.

You know, he's out there buying up stuff.

So we'll see.

Let's talk about Dayport.

I think this is like a very interesting one.

We didn't get to it last week.

Penn Gaming, a gambling company, and gambling has become legal in the United States.

Sports Wagering has been accepted by the NBA, ESPN, TV shows, everything.

It's been incorporated into...

I've been gambling for fucking 30 years.

Of course, but...

Now it's been integrated into...

What the fuck?

Chamathas.

You know, the funniest on Glass 4...

All the buttons are off.

All the buttons are gone.

The funny thing is, when I bought a piece of The Warriors, the funniest thing was I got a call from the NBA

because you have to submit like this huge application like, you know, everything opened the kimono.

And they knew that I was a big fucking sports betting.

And they were like, hey, dipshit, we'll allow you to sports bet in Vegas.

If you show the tickets.

But otherwise, you know, they knew who my bookie was.

They were like, you cannot call this guy anymore.

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You can't sports.
It was crazy.
What did I call?
Okay.
Don't say his name.
Don't say his fucking name.
I said...
Nick, delete the fucking...
Nick, delete the first part.
Don't fucking do that.
Don't even put the bag.
Put the small.
You're such an asshole, Jake.
Wrap it.
Come on.
We got to go.
Let's go.
Four.
I really miss you guys.
The dictator.
I really miss you.
I love you guys so much.
I miss you so much.
Have a fabulous friend.
I love you.
I love you.
I love you guys.
No, I really love you guys and I miss you.
I love you.
I miss you.
I can't wait to come back.
I can't wait to be back with this.
Did I?
Oh, please.
All right.
So, am I going to see you when I get down late?
I'd like to see you.
Yeah.
Sure.
I'll come see you.
When do you get here?
Thursday?
No, Wednesday.

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Wednesday.
Wednesday, like, one.
Oh, yeah.
I'm here.
Put me on the group chat with Drake.
Just shout out to Drake.
Jake, Cal, and I have a lunch date.
We got to go.
Okay.
So, four.
The queen of quinoa.
The sultan of science.
The architect.
The sasshole himself.
And the dictator, Chamath.
I love you guys.
Drunky monkey.
Chamath, probably hapati.
I am.
Undoubtedly, the world's greatest moderator.
We'll see you next time.
I'm going all in.
And it said we open source it to the fans.
And they've just gone crazy with it.
Love you, West.
I'm the queen of quinoa.
I'm going all in.
You're going to try.
What?
What?
You're going to try.
I'm going to try.
Besties are gone.
I'm going to go 30.
That is my dog thinking.
I don't want to see your driveway set.
Wait, I don't want to see it, man.
Oh, man.
My avatars will meet me.
I'm going to sell it.
We should all just get a room
and just have one big huge orgy
because they're all going to use this.

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It's like this sexual tension
that they just need to release somehow.
What?
You're a bee.
What?
You're a bee.
You're a bee.
What?
We need to get merchies.
I'm going all in.
I'm going all in.