

## [Transcript] My First Million / How Blockworks Bootstrapped To A +\$20M/yr Crypto Empire

And the real story of BlockWords, I went home that afternoon, and I was like, I'm launching a consulting firm to help companies figure out Ethereum.

Hours after learning about Ethereum.

Alright, we're live. This is it. This is how we start, man. We get in.

You just rip into it, huh?

We get right into it. Where are you calling from? Your place looks nice. Is this your apartment?

Yeah, this is BlockWords office. Yeah, we got a new office about a year ago in Manhattan.

How many people do you have, like 60?

I think we're up to 65, maybe. We had six people start this week. So I think that might put us at 65.

What's the pitch for what you are? You're just, I mean, at the high level, a crypto media company.

But what did I tell you the other day? I go, you do everything right. You do things the right way.

Wait, let me just get this straight. So is Sean not joining this? Because do you know that Sean told, Sean DMed me one day.

He gave me his cell phone. He said, dude, hit me up with love to meet and chat. I've never met the guy.

He gives me a cell phone. I text him. I go, yeah, it's Jason Yano. It's what's up, man?

I said something about friend tech. Guy ghosted me. Never just left me on red.

Really?

This was going to be my time on air to call out Sean, but Alas.

Well, you called him out. No, Sean's out. Sean's getting a nose job.

He's out with surgery this week.

Really?

Yeah, but he'll hear this.

All right.

Sean's a goaster, man. Sean is a goaster. I give him a hard time for that.

But, you know, he brings the heat, so he gets a pass.

So what are we talking today?

I don't know, man. Tell people, like, you're under the radar, but your business is shockingly big, and I think it's going to be incredibly successful. What's like the pitch for what BlockWorks is?

BlockWorks started six years ago, so my co-founder Mike and I started it in December of 2017.

Basically, the thesis back then, which remains the same.

I think we've got a lot wrong over the years, but one thing we got really right was the thesis, which is that crypto as an asset class and as an industry is going to grow exponentially over the coming years.

And this was back in 2017 when most of the information about the asset class was basically, like, siloed on Reddit and Twitter.

And our thesis was that as the industry grew exponentially, those investors and professionals who came into the industry,

they weren't going to, you know, listen to crypto panda or, like, crypto whale about this new asset class.

They wanted this professional source of information, kind of like a Bloomberg or Wall Street Journal for crypto.

So, yeah, we said, hey, let's go build it. And that was six years ago.

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So what we've built is basically, for the first five years, we've built a media platform, media company, right?

We own the largest network podcast in the industry. We have a couple of big newsletters.

We have, I think, the best team of reporters and, you know, journalists in the industry.

We own a couple of the large conferences in the industry.

And we built this big media company. And a year ago, we thought the industry was ready for, like, deeper,

what I call almost like bottom of the funnel, information about crypto, data, analytics, research, protocol, governance.

And that is our subscription platform that we launched called Blockworks Research.

So that was a year ago. So that's what, yeah, we're a media and information platform just about crypto,

crypto-native media and information company.

Do you say how big you are? Did you see the research, my guy?

So I have Eugenio. He's my, he, like, had your revenue in EBITDA.

Was that all correct?

Yeah, it's crazy. Oh, like, he's doing like, that guy's digging.

He said, in 2023, you're going to do 25 million in revenue with 8 million in EBITDA.

He says, 2022, you did 25 and 7 million in EBITDA.

Is that right?

I'm not going to say specific numbers, but what I will say is, yeah, last year, we had a goal of 20 million in revenue and we pretty decently exceeded that.

And we've been profitable since day one.

So, yeah, we bootstrapped the business for the first five and a half years.

And then back in April or May, we took, we raised our first outside round to capital from, from 10T and framework and this Angel Santiago.

So we raised 12 million bucks at a 135 valuation.

And yeah, we've been profitable since then.

I mean, kind of since we started, we did a decent bit of EBITDA last year.

This year, those numbers are wrong because this year,

just to kind of share a little bit of insights into like the crypto market,

I don't know how I think you follow it pretty closely, Sam.

The market's just gotten crushed, right?

So what's actually done really well for us this year is our subscription revenue on the research platform,

but the ad market across the board, both in crypto and digital media,

if you probably talked to the morning brew guys or you probably saw the buzz speed numbers because they're public, like, it's got, it's, it's a,

it's been a tougher year than last year on the ad market.

Is it coming back now?

It's, the ad market is just starting to come back.

Yeah.

But you guys crushed it on conferences.

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I mean, I went to your conference.

What did you have 5,000 people there?

The conference, the final number was a little above 4,000 this year.

Yeah, I mean, that was amazing.

It seems like you killed it there.

Yeah.

I mean, I think that like, I'm a media nerd.

I think that everyone who has a media business ever works in the media business, they hate it and they love it.

I hate it, but it's like an art that I'm addicted to.

I hate selling ads, but I love creating media.

And when I look at, you know, media is an interesting business because the barrier to entry is really low,

particularly for the written word.

Well, even for podcasts, everyone can write.

Therefore, everyone, the pool of people who think they're good writers is significantly higher than like,

building some other type of business.

And I think that most people do it really poorly.

Myself included.

I made a lot of mistakes.

But whenever you're telling me about your guys' business, I'm like,

oh, I see a, well, from an outside, I see a crystal clear path to like 100 million in sales.

You just do the same shit, but more and more.

And you just are thoughtful, man.

You do things right.

And I think that you're one of the more under the radar operators in the space.

Thanks, man.

That's why I think a digital media business is actually one of the best businesses to start.

It's not going to make you a billionaire.

There's no like, go start.

You had the flying guy on the podcast the other day.

That's what you'd go through if you want to be a billionaire.

Like a digital media brand, I think is like the best venture into entrepreneurship for first time founders.

And Mike and I, like Mike and I were just roommates at the time.

And we were 23 when we launched the business.

We basically just work.

We'd wake up at like 4am.

We'd jump on LinkedIn.

We had no media business.

We didn't even know what media was.

We just, we just wanted to host an event because we went to an event,

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realized they made like 5,000 bucks.

That was big money to us.

And so we just jumped on LinkedIn every morning.

We would wake up and just send like 300 messages, right?

10% of those people reply, that's 30.

You get like three out of the 30 to actually buy a ticket.

Our first event, February 2018, we had 220 people and we made top line 12,000 bucks.

I think it was.

And so that's, that's off to the races.

And then we ended up building the, a media company basically asked backwards, right?

Like how you probably started at the hustle was with content.

Yeah, you, you did it horribly.

Horribly, horribly, horribly.

I would argue though, like the problem with most media companies and the reason they don't work is because they're started by folks who can't monetize.

So they're usually started by a podcast host or newsletter writer in 2023.

And they're brilliant at content and they don't understand how to sell.

So what happens is they're a year and a half in there, like, oh, shit, I need to monetize.

And they don't know how to build a business.

They know how to create great content.

And for us, we did events.

Then we linked up with pomp, right?

And we, that we got into the podcast and games.

Our first podcast was pumps.

Well, it used to be called off the chain.

That's called the pomp podcast.

But you were just selling ads for him, right?

We were doing everything.

I would go into pumps office seven days a week, Saturdays and Sundays too.

I would put the mic in front of his face.

I learned how to use garage band.

I was editing the podcast.

I was producing the podcast.

We were designing the things on 99 designs.

I was selling the sponsorships.

We were doing all of it.

And then we built that business out and hosted shows for other people.

Realized that business was great for revenue sucked for IP because we don't actually own the content.

Yeah, you're just an agency.

Yeah.

Then COVID hit and 80% of our revenue got wiped out overnight because we were 80% of revenue came from events.

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And then that's when we pivoted into like, we said, let's go do the media thing.

How much, can you say how many, how many, how much in sales your, your like one event would do?

Yeah.

Our biggest one.

I mean, last year we did like well over 10 million from permission list.

Dude, that's insane, man.

My whole thing with events was I started with hustle con.

So I did it the same thing as you were.

Like I threw it together and hosted it in six weeks.

I think the first time I did it, I think it did 50,000 in revenue and like 20,000 in profit.

The second time I did it, I think it did 160,000 in revenue and 50,000 in profit maybe.

And then the third and fourth time it varied between like 500,000 and a million, I think in sales.

And then I don't remember what the profit was, but the margins got smaller and events were hard.

I was like, I know these events can get big, but I screwed it up because what I did was I made the event about,

I just like looked at, like I had never been to conferences.

I just looked at what a TED talk was and I was like, I'm just going to do that.

I'm just going to get people on a stage and people are going to sit in the audience and like listen to this.

That was really dumb.

From a money making point of view, that was a really stupid thing to do.

And I knew that some of these events were doing like tens of millions in sales and I totally screwed it up.

The way that you really make revenue and income through these events is the speakers are simply a way to get the similar like-minded people in the audience.

And you make money through more expensive ticket sales because you're doing networking and you make money,

not through sponsorships, people call them sponsorships, but like through like a booth.

So they could actually, like it's basically just a marketplace that day where like you have to make, people are making deals.

Conference are basically just a three day marketplaces where you build the marketplace and you shut it down three days later and that's what the show floor is.

Sheldon Adelson.

So this guy named Sheldon, I think his name is Sheldon Adelson.

He just died.

He started this thing called Comdex.

I think it was and it was eventually turned into CES.

I think it like rebranded.

But anyway, he created this conference called Comdex and it was like the computer show or something.

It was right when computers were getting popular in the 70s, 80s and 90s.

He built it up.

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He actually sold it for a billion dollars, but Sheldon Adelson is the guy who basically made the Vegas strip.

Like it made it happening because what he noticed was he goes, oh, wow, this conference.

I'm basically just creating like a, it's basically a real estate business because I'm creating a marketplace and I'm like a merchant in the sense of like,

I'm selling like corner space because that's the best space that I'm selling this space and like marketplace.

It's a marketplace for those few days.

And then he was like, well, shit, I'm just going to get in the real estate industry because he saw like loads of different parallels.

And anyway, when I like read that, I was already like pretty deep into like my one big event and I was like, shit, I did this all wrong.

You know what I mean?

I don't even think you did it wrong.

You just needed to go bigger.

So the secret with events, so we started with small events.

The thing that a lot of entrepreneurs get wrong with events is the business model of small events is a really good experience for attendees.

It's really fun.

You bring people together.

Good community building is a shit business model.

So the kind of secret to events is you need to figure out how to go really big and go bigger and bigger and bigger.

And what we found out some early insights was let's say you have a company like like Coinbase, right?

And Coinbase might pass a million dollars to sponsor a conference.

If we launched another conference, they're not going to go past two million.

They're going to take that million that they allocate to their blockworks conference budget and they're going to cut it in half.

So then they're spending 500 with us here and 500 with us here.

So, but we're doing twice the work, right?

To go run two conferences.

So we basically consolidated all of our things.

We now just have two conferences, Digital Assets Summit and Permissionless.

And the reason for that is like that is the best business model for conferences is bigger is better.

What's really tough is big conferences.

You have to plan out years in advance.

So our events team would like us to book venues like four or five years out.

We can't do that because crypto is too cyclical.

So we, but we still have to like, I think we just booked our 2026 venue or we're like about with the contract for them.

So, and why that's really tough for our business is because crypto is so cyclical.

And if you think you're planning a big event, but you don't end up having, you're not able to host the

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big event.

You can crush your business, right?

Coin desk almost died in 2019 because of that reason.

They had like, I don't know, 10,000 plus people in 2018.

And then in 2019, they fell to like 2,000 people, right?

They fell 80%.

And that almost wiped out their whole business.

And their takeaway from that was, hey, maybe events, big events aren't going to come back.

Big events aren't going to be big.

Like crypto events just aren't going to be big again.

And what happened is you end up losing money on the upside when the, when the market comes back, you lose money on the upside.

So for us, like it's just a big challenge to running a conference business in such a cyclical industry is you have to plan these things years in advance.

But then you're basically asking yourself to like predict market cycles.

Very tough thing to do.

But you're big enough now that like, you said that like cities are like courting you, right?

Yeah. So these, the bigger your conference gets, the more GDP you bring into a city.

So I forget the, I forget the specific number, but I think for Palm Beach last year, we brought in like, I don't know, three or four or five or six million dollars of GDP to Palm Beach just in those three days.

So they, so they're the mayor of Palm Beach came to our conference.

He really wanted us to come back.

And the bigger your conference gets, the more cities and then even countries will court, like countries will court like Web Summit and money 2020 and folks like that.

And they'll give them big up fronts.

How much do you think that up front was for a Web Summit? Web Summit has what, 50,000 people?

Yeah, a couple, couple million, probably, I don't know, five, five million, maybe maybe some money in tax credits.

That's insane, man. I, yeah, I mean, like I, I haven't cracked the code for an event, but you have.

That's why that's why I like hanging out with you.

But like, it's freaking stressful.

It is stressful.

That's one of the reasons why I hate events.

Yeah, 50% of tickets get sold in the four, in the four weeks leading up to a conference.

So imagine the fifth week out from a conference, you're basically thinking that 50% of your attendees aren't coming.

And you know it because we have six years of data that they're going to come, but it's stressful.

Ultimately, the conference serves as like, it's the reason we were able to bootstrap the business, right?

It serves as like the cash flow into the podcast and into the research business and into the digital and news and all that stuff.

And another thing that I like about hanging out with you.



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So like basically for the listener, I spent my summers in Brooklyn.

One year, Jason was like, Hey, there's this apartment in my building that's available.

You want to rent it out?

And I was like, hell yeah.

So I lived three floors below you for about four months, hung out with you a bunch.

And an interesting thing about you is you're one of the better storytellers I've ever hung out with.

Sean, Sean Perry, partner Sean, awesome at, awesome at telling stories.

You've, you've told some of the craziest stories I've ever heard of, particularly one about when you like won a, did you win a Corvette?

Oh man.

So I was super nervous.

I was nervous for this podcast, not because I'm nervous to go on podcasts, but I was telling Dana last night.

I was like, I'm actually pretty nervous for this podcast.

Sam knows too much about me to make this.

I'll give you, I'll give you, I'll give you a pass on anything, anything you don't want to talk about.

You don't, and I asked you ahead of time.

I said, what don't you want to talk about?

I'll share anything.

I think Sean and I joke, we're like, if you were like really good at gaming, if you were like good at poker,

if you like were a hacker, if you did, like most people, not most, but a lot of people who end up with like huge amounts of financial success,

they were doing something like gray early in their career before they realized like,

Oh, I should like follow the book and like do things by the rules because that is way better for long term success.

But they had that like gene in them.

100%.

You told this story.

And when I heard that story, I was like, Oh yeah, like, it would have been obvious at the age of 16 or 18 that you were going to be like,

a massive success.

So when you told me this story, it was one of the crazier things I've ever heard of.

I'll tell, I'll tell the abbreviated version because I don't, I don't think it's as interesting as you do.

But I've always had this kind of entrepreneurial.

Don't, don't give me the abbreviated version.

I've always had this entrepreneurial tick.

Like I, my parents shared this story with me the other day.

I guess when I was in like fourth or fifth or sixth grade or something, I would buy, this is not the story.

I'll get to the story, but I would buy MLB showdown cards on eBay that I thought they were marketing it poorly.

And maybe the picture was bad or the description was bad.



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I'd buy the MLB showdown cards.

I'd take a nicer picture with a nice camera, reupload the exact same card to eBay with just a better picture and better marketing copy and sell it for like 2x what we bought, what I bought it for.

So I've always had that kind of bent.

This has pulled me down good rabbit holes like that or like blockworks and then some less good rabbit holes, which I think is the story you're getting to.

Summer after senior year of high school, I, summer after senior year of high school, I wanted some money, some summer money.

So I went to my parents was like, Hey, can I get some money?

I'm in high school.

I don't have a job.

Let me get some money.

They're like, you're not, you're not getting money.

We're not giving you money.

I remember my mom said, I think your friend Jake is getting a job at Taco Bell.

Go work with Jake at Taco Bell.

I said, I'm not going to Taco Bell and we would go to Taco Bell every day.

I love Taco Bell.

And so I was like, I'm not going to, I'm not working at Taco Bell.

So my buddy was a year above me in school and he would, he went to school at the University of Hawaii and he was back from his freshman year of college.

He's like, Hey, I heard about this thing where it was actually the Soylent podcast guy or the Soylent guy brought it up on his, on your podcast with him.

It's, he's like most companies spend like 40% of their budget on marketing.

These, there are another type of company that spends zero on marketing, 40% on affiliates who market their products for them.

And that was kind of the pitch that my buddy gave me.

He's like, if you are able to sell this energy drink to other people, you can make money.

You get like a percentage of what they make.

And again, I'm 18.

I didn't know anything.

I just wanted money and I didn't want to work at Taco Bell.

So I signed up.

I bought like 30 energy drinks and started telling people that like, Hey, you drink Red Bull and Monster.

You should, you shouldn't do that.

You should buy these healthy energy drinks from me.

Go, you go to like Yanowitz dot, you know, the web, the website.com.

And anyways, I did it for a couple of months.

Didn't make any money.

I get to college.

I went to Emory down in Atlanta and I really didn't want to be like the energy drink guy.

You know, I'm trying to be like cool on campus freshman.

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Didn't want, didn't want to be like the energy drink guy and I talked to some friends.

They didn't want to do it.

But then I discovered like digital marketing and actually like Noah Kagan and like all those people, like that whole crowd.

They were kind of booming back in the day.

Like they were just kind of finding some success and found that whole crowd of like that guy

Branson something or Russell Branson.

Yeah.

Yeah.

Figured out how to create landing pages went super deep down that rabbit hole and the business got crazy.

So you got paid like a percentage.

This is where I didn't realize what I was doing.

Looking back, there's a lot of like, I'm not sure if I would do this.

Well, I probably wouldn't do this again.

I actually think about like what I let my kid do this in the future.

But yeah, I ended up having 4,600 people and my downline had like a thousand people in France.

You know, because it was a it wasn't that you were making money just from selling this drink.

You were making money from enlisting people to sell it for you.

So basically it was a pyramid scheme.

Multi-level marketing.

Yeah.

You told the story.

You're like, I told my parents what I was doing and they're like, Jason, you know, this is a multi-level marketing.

You're like, what do you mean?

I'm just selling a drink.

You didn't even know what that meant, right?

So this company was the like official sponsor of the Phoenix Suns.

Dr. Oz was on my if any of my friends from college are listening to this.

They're going to laugh at this because they have heard this pitch probably a thousand times.

I used to like get on Skype.

It wasn't zoom back down to Skype and I'd give this pitch to like a room of 500 people.

Like Dr. Oz says, you know, a can of can of this and a handful of almonds is the healthiest thing that you can put in your body.

Blah, blah.

So they had all these big names.

I had no idea.

I really fell for the pitch that it was like, look, a lot of companies like a Nike spends billions on marketing.

Why don't they just spend billions giving it to when Sam tells me about Nike?

They should give Sam like 10% of that, 10% of that.

What I didn't realize was there's all these companies.

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There's this multi-level market.

I didn't realize that there's this whole industry and it wasn't until well to bring this story home in the car.

It wasn't a Corvette as a BMW.

I got so high up in this company or had so many people below me.

The company gave me a BMW, my sophomore year of college.

I tried dropping out my sophomore year, got like a 2.2 or 2.4 GPA.

Obviously, my parents wouldn't let me.

They knew they were like, I later learned that it was a big debate.

My parents had about whether or not to let me keep doing this.

My mom wanted to shut it down from day one.

And my dad was like, it'll teach him a good lesson.

I don't think they realized.

I don't think they thought it was going to be successful.

It wasn't until Bill Ackman and Carl Icahn got into that really crazy battle over Herbalife.

And I watched the whole thing.

I watched the whole presentation by Bill Ackman that I realized.

I was like, oh my God, he is explaining this company that I'm working with.

And then my roommate, Junior Year, one of my best friends basically slapped me in the face.

Junior Year, he's like, all right, man, we're going to get internships.

You should join us.

Stop doing this.

Stop doing this thing.

And we shut down.

What is it?

How much money do you make if you have 4,000 people on your like down line or whatever it's called?

I was making probably 1,500 bucks a week as a sophomore.

But that's 4,000 people.

So shitload of people.

I would have thought you'd make way more.

There were people making millions a year who had like, I probably had 4,000 on one side, like 600 on the other.

If my sides were like even, then I guess they probably did some model internally that is like made the company more sustainable if it was like even.

So yeah, so that's what it was.

But I mean, I was 19, right?

I was a year and a half after wanting to work at Taco Bell or not wanting to work at Taco Bell.

So like, that was crazy, crazy, crazy money for me.

And you're just like giving speeches in front of hundreds of people and Skype about why this drink is awesome or why the business is awesome.

Basically the pit, yeah, kind of both.

Like the, so the difference between, so we brought up pyramid scheme, the like technical difference

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as the regulator see it between a multi-level marketing company, which is I would call very shady but technically legal versus a pyramid scheme which is illegal is the percentage of people who buy the product for the product itself versus the number of people, the percentage of people who buy the product just to get access to be able to sell it and make more money.

So that's like the reason something like Amway or like Herbalife can be still exist is because there's actually a pretty high percentage of people who just buy the products because they like the products.

Like Cutco knives and all those.

So this is a multi-level mark.

I mean, I've got a ton of friends that sold cutco knives.

And you know what's crazy?

They all say awesome stuff about the product.

So like an MLM isn't inherently unethical.

I think like wasn't like Tupperware like this company had been around for 10 years.

That was the other thing.

It'd been around for like 10 or 11 or 12 years and they sold to like 50 and 60 year olds who wanted to get like protein shakes and all that stuff.

And it was a really good product and nobody did the money part of it.

They just got it and they might tell some friends.

But like most people who use Amway products, they don't tell their friends about it.

They just actually like the products.

So that was this company.

And then they realized, hey, who wants money more than anyone like 19 year old kids.

So they launched and what do 19 year old kids drink?

They drink energy drinks.

So that's when they launched that they did flashy marketing.

They sponsored the suns.

They got Dr. Oz as a spokesperson, all this stuff.

And that's when it really that's when the percentage of people buying the product for the to make money started to outweigh the number of people buying the product for the for the drink.

How big was that company?

I don't know.

I don't have metrics.

The CEO, I think went to jail for a year or two though.

Oh my God.

That's one of the things like I actually, I wasn't even sure I wanted to talk about it on the podcast today because I have a lot of.

Not regret, but like it is inherently kind of a shady thing to talk about, right?

It's like multi-level marketing is a shady thing.

And I didn't realize it at the time.

I truly, I truly had no idea.

I'd like drank the Kool-Aid so hard.

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I really had no idea.

And the debate I have, I don't have any kids, but if I had a kid, would I let my kid do this?

And the immediate answer is no, like that is this super shady.

No.

But it did teach.

I know for a fact I would not be here today if I hadn't done that.

Why is that?

Blockwork started by just me posting on LinkedIn a lot about crypto and nobody was posting on social.

Nobody was posting on LinkedIn back then.

Like it gave me the confidence to post on social a lot.

It gave me the understanding that most of growing a business at the beginning is just like grit and hustle and really marketing and sales.

It's less product.

Eventually that changes over time as you find product market fit and all that kind of stuff.

And it just taught me this like it made me realize that there was nothing in the world I wanted to do outside of build a company.

I didn't know how to build a software company.

You have some geniuses come on the show, like their coders.

I wasn't like that.

And it just gave me the confidence to go do it.

So you may know this, but my beginning in business was being a copyrighter.

It just basically means figuring out what motivates someone and how to use the written word to take an action, get them to take an action or to think a certain way.

And the way that I learned how to copyright was I did this thing called copy work.

And copy work is this famous technique that's not really popular anymore, but it used to be really, really popular.

And you basically take writing that is great writing that you love and you write it out by hand and you copy it and you make notes of what particular thing that that writer is doing that makes it special.

That's how I learned how to write.

I locked myself in a room for six months and I just did this for many hours a day.

I created a program to make it easy so you can do that.

It's called copy that copy that dot com.

You can go there and you can check it out to 10 day exercise to make it really easy to learn how to write.

If you want, you can just go do this on your own.

You can find great writing and just literally copy it by hand.

I know it sounds crazy, but it works really effectively.

But I made something that makes it a little bit easier.

So check it out copy that dot com and back to the pod.

Were you thinking about any other different ideas before you started block works?

Yeah, I was desperate for something.

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I was really desperate for to do something, but I had a bunch of shit ideas.  
The way block works originally started.  
Who's the consultant that you had on the show?  
Ovens.  
Sam Ovens.  
So the way block works started, Sam Ovens plays a role.  
I wanted to start a consulting practice because I read Sam Ovens' stuff and I didn't buy his course, but I saw all of his ads and I was like, this dude's making it.  
It was funny hearing that New York photo shoot that he did.  
You know what I'm talking about?  
I remember seeing that ad.  
I was like, obviously now I know how the game works.  
That wasn't a real thing, but I wanted to do what Sam Ovens did, start a consulting firm.  
By the way, Sam Ovens is this guy who came on our pod.  
Nowadays, he's like a really nerdy, almost like an intellectual.  
He started a software company and he's doing everything right.  
But previously, he started this thing called consulting.com.  
He rented out this slick apartment, slicked back his hair, wore a bright blue blazer, and I don't think he did anything unethical, but he was selling the dream.  
He was like, I started a consulting business that makes money.  
I'm going to teach you how to do that too for this amount of money.  
And he came on our pod and he was like, I don't remember exactly what he said, but I think the energy that I got from him was he's like, I don't regret doing that because I helped a lot of people,  
but I was playing a part that wasn't authentic to me and I got bummed out.  
Maybe there was a little regret.  
He's like, I fucking played a part.  
Like I was an actor and I don't think he regrets it because I don't think he did anything wrong, but he just pushed it to the limit.  
Yeah, so I saw those ads.  
That's what I wanted to do.  
I was like really sick of my job.  
I wanted to do that.  
And so I used to go to this thing called brunch work or something in New York.  
I don't think they exist anymore, but I'd go to all these events.  
They had a thing on how to build a consulting firm at 2pm on a Sunday.  
He was like 2pm on a Sunday.  
They had a thing how to build a consulting firm.  
You just get sucked into these like scabs.  
One day, if you ever talk to Mike, I'll tell you about the Jerry Seinfeld ticket flipping scheme.  
Did not make money.  
Anyways, I get there an hour early because I thought it was at 1pm and they were doing a talk on Ethereum.

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And I already knew about Bitcoin since 2015.  
I was living in Budapest, heard about Bitcoin.  
This is 2017 now, got really into Ethereum from this talk.  
And so I came home that day and the real story of BlockWars, I went home that afternoon.  
I was like, I'm launching a consulting firm to help companies figure out Ethereum.  
Hours after learning about Ethereum.  
Hours after I was like sold the dream.  
Yeah.  
I was like, this is what I've been looking for.  
Well, I had known about Bitcoin for two years.  
I was already like listening to Bitcoin podcasts and stuff.  
And like kind of had heard about Ethereum, but like didn't click, didn't get it.  
And came home and I was living with four guys at the time.  
And one of them was Mike, who's my co-founder.  
And we remember it slightly differently.  
What I remember is him saying, let's do it.  
And then waking up in the morning and saying, hey, this is a horrible idea.  
I currently work in consulting.  
Nobody's going to buy consulting from us because they don't trust us.  
We're 23 years old.  
We need to build trust with community.  
How do we do that?  
And I said, great.  
How do we do that?  
And he said, what if we hosted events?  
We went to that event last month that made some money.  
So we started hosting events to then try to sell consulting.  
And six years later, we have no consulting, but.  
Dude, it's so funny.  
I think that like, all right.  
So BlockWars is going to be a huge success.  
I don't know how big, but I believe you're going to have a multi-hundred million dollar exit before the age of like 33.  
Very likely.  
What are you, 28 now?  
29.  
You're going to be, you're going to be worth at least a hundred million dollars in the next five years.  
I would imagine.  
Liquid.  
That's my prediction.  
But in order to get there, I think what people, like,  
Shona and I talked about some time, they're like, there's this always like



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revisionist history of like, oh, I had this great idea when in reality, like you just do dumbass, like kind of meat head stuff.

And you just kind of can iterate your way.

And then after like, you get to like some type of sustainability and some type of mastery, you're like, okay, I actually clearly see the path now.

And like, maybe I'll go back in time and say, I have this like revelation that we have to build this big thing.

You said your story earlier.

You're like, I thought this, I thought crypto was going to be a big thing, but no one was covering it.

But in reality, it was like, Ethereum sounds sick.

I need a job.

I'm just going to host this event and see what happens.

Like, you know what I mean?

You just kind of like do shit and it works out sometimes.

There's always basically a, so like that is true what I said about like, we had this vision that crypto would be this institutional asset class.

Cause once we said, hey, how do you host an event?

What should we talk about?

I think our first top, like one of our first events was like crypto and the institutional age of blockchain or something.

Like we had that vision, right?

But yeah, I think you are dead right.

And I think that is a, almost a problem that gets pushed is that everybody thinks that founders had this vision from day one.

But if you talk to founders who have built big companies, 99% of them do not. They do, they never did at the beginning.

Second time founders actually do.

I've noticed like second time founders will, but honestly, like a hundred percent of first time founders, there's no grand vision.

It's this kind of, it's this like, how did blockworks get built?

I don't know.

We took one foot in front of the other day after day and like slogged it out.

And that's how you build your first company.

Second company, I think is different.

Second company can be like, you know, robotics and like all this other shit.

But that's, you can have a grand vision, but not the first company.

Yeah, I don't think it is.

I think that I remember when I started my first, the very first thing I started, I was like, I want to start a newsletter.

And then I had this horrible idea.

I just read the biography of Ted Turner and he like employed all these people.

And I was like, that sounds amazing.

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I want to employ 10,000 people.

And then I had like a team of 10.

And I'm like, no, I definitely don't want 10,000 of these assholes hanging around.

Like this is just too hard.

Like too many people.

Yeah.

And like he inspired me, but I'm like, oh my God, I don't want all these people.

And I just made so many mistakes.

But then the second or third time around, you definitely have a more clear vision.

You also have more, you have more, you have more wisdom and that shows up in the sense of like, look, like after we do this for like two or three years, I have a feeling we're going to be able to do this in like five years.

Like you have a little bit more vision, but you know, it's still pretty murky, but you also have a lot more patience and trust in the cycle or in the evolution because things evolve.

But when you're first starting stuff, you're like, you're like, this isn't even going to work to get to point B, let alone like think about point C and D.

You know what I mean?

100%.

I think that's a big fallacy.

And I think the other one is this idea that it gets easier as you grow, right?

That's, I think anyone startups are like this weird or being a founder is this weird thing where like, I think what they, you kind of hold constant the rate at which you can tolerate problems and everything else kind of becomes this variable that moves.

And you're always as a founder in this zone of Max Payne and whenever you are able to, if you're ever below that threshold of Max Payne, you take on more stuff.

And I think that is, that's something I thought at the beginning, which was like, when BlockWorks hits 10 people, man, it'll be a lot easier.

All right.

When BlockWorks hits like 30 people, a lot easier.

And that's, I don't know, I was just listening to Patrick Collison, the founder of Stripe on a podcast.

That dude's in Max Payne right now.

You think so?

Oh yeah.

Oh yeah.

He is reading between the lines of that company.

He is in Max Payne and doesn't get any easier.

So.

Have you read the Elon Musk biography?

I'm reading right now.

I'm like 200 pages in.

I haven't started it yet, but all my friends keep talking about it.

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And his life sounds miserable.  
It does not, I wouldn't trade.  
I wouldn't trade what he has for in a million years.  
It sounds miserable.  
Like his personal life sounds awful.  
His professional life sounds awful.  
Everything about it sounds bad.  
It does not sound enjoyable in the slightest.  
Can I flip the script?  
Am I allowed to ask you a question here, Sam?  
This is the conversation.  
You guys were talking with the Soylent guy about like what you're optimizing for basically.  
And you guys were like, some people optimize for money, right?  
Some people are optimizing for happiness.  
Some people are like, he said the things like, you know, every person has a duty to make a big impact on the world.  
So some people are optimizing for that.  
I did not agree with him.  
I did not agree.  
I know you called him out on that.  
But what are, what are you, because you're doing Hampton again.  
I don't, you probably have enough money where you could just sit on it and put it in some like treasuries for the rest of your life, but you're doing Hampton again.  
What are you optimizing for?  
I'm optimizing for fulfillment.  
So I'm, so when I took time off after selling my first company, I was incredibly lonely.  
I was very, I think, I think there, Scott Galloway talks about like a loneliness epidemic, particularly amongst young men.  
And I experienced that where I was like, I'm just so low.  
I feel alone.  
I feel like quite unhappy.  
I felt proud of my previous experience, but I felt lonely.  
And so I started the business because I wanted a new challenge where like I just wanted to achieve something and I wanted to succeed at something.  
But more so, I wanted to be less lonely and I wanted to be in the trenches with the troops and like create something together.  
I think that young men, I imagine young women, but I'm a young man.  
So I only know that perspective is that like I need something to chase after with a team of people who I enjoy being near.  
And that's really what I was optimizing for.  
I'm also optimizing for living life on my own terms.  
So the reason why I'm not willing to do like this, what John said, what did he say?  
He was like, you got to build something big.

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I'm like, dude, I don't want that because I feel like you're signing up.  
You're signing up to live a life where you where you have so like there's like three things.  
There's like, what do you want to do?  
What should you do?  
And what do you have to do?  
And I only want to spend my time doing like the things I have to do and the things I want to do.  
I don't want to do things that I should do.  
So let's just say that you have a huge company with 10,000 employees.  
You have to do, you should be doing lots of meetings with them.  
You should be talking to your investors.  
I don't want to do any of that.  
There's shit in my life that I have to do, like no matter what, I'm okay with some of those,  
but I want to maximize my time for things that I want to do.  
And so that's kind of what I'm maximizing my life for is spending my time,  
how I want to spend it, not things that I should be doing.  
Does that make sense?  
Yeah, it does make sense.  
And I think that when you sign up for those,  
I think that like Brett Avcock was on the pod yesterday or Monday and he's this guy who goes big.  
The thing about him is I believe he's happy.  
Like he's doing what he wants to be doing.  
I listened.  
He sounds like it.  
And I'm happy that freaks like him exist, but I am not that person.  
I don't want to go into the warehouse that are his factory on a Sunday and like mess with robots.  
That's just not how I find fulfillment.  
I would rather read a book and be by myself on a Sunday.  
So like I just don't want to like sign up to those big world changing ideas  
because I feel like you're obligating yourself to live a life for other people.  
Do you know what I mean?  
I do not even.  
Is that how you feel?  
Kind of.  
I think fulfillment is a good way to put it.  
But if I had to like distill that into a couple of different things like,  
well, first off, there's safety and security in starting your own business.  
I think it is a one one idea that is in like people's heads in the US,  
especially people who like graduate from good schools and they go into like the workforce that has  
been broken in the last year,  
which is going to be really interesting to see how this plays out.  
Is that working at like a big tech company is a safe thing to do.  
Like the number of people have been laid off from like big tech and from banks and stuff like that  
recently is incredibly high.

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Right.

And so I actually think there's more safety and security and doing something that you own and where you can like manage 100% of the risk.

Like you can be the best employee somewhere and if all hell breaks loose and like the companies doesn't have a good business model, you can get let go.

So I think there's safety and security and doing your own thing.

I think there's autonomy, like just the type of personality that I am.

I've never done one of those like Myers-Briggs things, but I'm sure it would say I need my own autonomy.

Like I could I would not work well in other companies, I would say.

And then I think there's this like need to.

I think building a company is also like a very personal growth type of thing.

And I think you like you there's no way blockworks can grow if Mike and I don't become better as humans.

And I like that it's this forcing function to become a better person.

Yeah.

And I think in some in a weird sense and I don't want to like grand grant like act like this is some like big world changing idea or that like what I'm doing isn't selfish.

But it's almost like being an artist.

You know, I joke about it.

I'm like, dude, just like give Pablo Picasso like a freaking tuba and he'll make art out of it.

Like and that's sometimes how I feel about when I'm playing on the internet.

Yeah.

We were talking about like different ideas that you were you're taking with or that you're like different opportunities that you're spotting.

What?

What interests you at the moment?

You're not going to go and start anything because you have a full time gig, but is what interests you?

I mean, don't like just crypto right now.

I'm like had like just super deep into crypto.

I think there are other startup ideas like if if someone waved a wand today and said you couldn't go work in you couldn't go work in crypto.

What would I do?

Probably there's probably two, maybe three things.

There's only two things I would look at that I think are huge opportunities.

First off, remember when everyone started creating like the Uber for X, like the Uber for whatever?

I think we're about to see that with with Beehive actually.

What is that?

What does that mean?

Beehive is this newsletter platform that's just like a 10 times better newsletter platform than anything on the market.

I know you are friends with the ConvertKit guys.

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I'm sorry.

Sorry to handle.

I like Tyler.

ConvertKit too.

Or I like Beehive too.

I'm also super biased because I'm an investor in Beehive, but like we don't use it yet because it'll be enterprise scale soon.

But it's more for like the individual creating their newsletter.

All they did is they just had a super deep understanding of newsletters, right?

Tyler was I think CTO of Morning Group before this.

They just had a super deep understanding, right?

Deep domain expertise.

And then they just built a really slick UI UX and a really deeply technologically more powerful platform

than anything that exists on the market.

And I think you're going to start to see people basically say, hey, Beehive was able to do this in newsletters,

where there's all these platforms, right?

Campaign Monitor, SendGrid, SailThrough, ConvertKit, Substack,

and they just built a 10 times better product.

I think you're going to see people try to do this for other industries.

If I were doing it, I would do it for conferences.

We have used six different ticketing platforms in six different years at BlockWorks.

And it's always been, we like our current one actually kind of a little bit right now.

But in the past, it's just been a nightmare to find a ticketing platform.

And there's this company called Hopin that was like one of the hottest startups of the year a couple of years ago during COVID.

I heard the founder took \$100 million in secondary.

Yeah, he did.

I actually heard it was even more than that, but he,

That's insane.

Yeah, it's insane.

They raised a \$7 billion valuation.

They just sold for \$15 million.

So down from \$7 billion to \$15 million.

Wait, Hopin just sold?

Hopin sold?

Yeah, Hopin sold for, you should fact check me on this, but I think for \$15 million.

No way.

No way.

Yeah, Ring Central acquires Hopin events and session products for \$15 million.

Holy shit.

And the founder took over \$100 million in secondary funding.

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That's insane, dude.

He won that one.

Yeah, he did win that one.

Oh my God.

Anyways, that's what I would do.

So I think Hopin kind of, Hopin could have dominated this market, but they had this stupid thesis that virtual events were going to take over physical events, which was like the dumbest thing I've ever heard.

And so they failed.

But if they had just built a better product for event hosts and conferences, that was just a 10 times better product.

That's a colossal business.

That's a shit business.

That's a good business.

No, I don't think it is.

I think that like if you look at Eventbrite, look at their market cap, I haven't looked at it in forever.

I'm pretty sure it's been like slow growth.

I also think, are you looking it up?

Let me know what it says.

Yeah, I'm looking it up.

I also think that there's this company called Splash.

Do you remember Splash?

Splash that.com.

Splash that.

Oh yeah, you're right.

You're right.

I remember, I think they rebranded Splash.

So it was great.

It was like Eventbrite, but they just made a slicker landing page for cheap or free events.

And it was great.

It was really fun.

I created so many events with Splash.

I think it was Splash.com.

I have no idea if they still exist.

And the problem with them is that most of, or I think the problem was, is that most events are like \$10 or \$40 or something like that.

And they could only earn like 3% or 2% or some number like that of the ticket sales.

And it seemed like a really small business that raised tens of millions of funding that never came to fruition.

So that's a good pushback.

I would go Enterprise.

So the reason I think probably Eventbrite.

So the reason Splash that didn't work is because they were trying to sell to like random people just



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setting up events.

It was kind of like Partyful, if you know Partyful now.

And then like they were kind of flirting with.

Yeah.

So many people are using that.

I don't think that will work.

They were kind of flirting with Enterprise, but like weren't really doing it.

Eventbrite.

They're probably cost of support alone is like a total nightmare.

Just because they have like anyone can go create an event on.

You know what?

You know what's a better comparison Sam?

Bizzabo.

I would just go make like a 10 times better Bizzabo.

What's Bizzabo?

It's an enterprise events platform.

It's like they sell it like SaaS.

It's like 20k a year, 30k a year subscription.

You host all your platform, your events on them.

They don't take a cut of the of the ticket sales.

I don't think it's just a, but the platform sucks.

It's a shit product.

But they just dominate the enterprise events space right now.

Why are you interested in hair transplants?

The rate of balding in men right now, the hair transplant.

Hair transplant space is the one of the fastest growing markets in all of medicine right now.

Hold on.

I was actually researching this before this.

Did you ever get LASIK eye surgery?

No, I'm afraid to do it.

I should do it, but I'm afraid.

So LASIK 20 years ago was this like kind of sketchy thing to do or maybe 25 years ago.

And now it is so the success rate is 99.9%.

The cost have come down 95% for surgery and everybody gets LASIK.

It's like a thousand bucks or something like that.

But before it was way more expensive and way riskier.

And I think you're about to see the same thing happen with hair transplants.

And the reason I think it's so first off the market, market size of \$5 billion last year, projected to reach \$30 billion by 2031.

So eight years it's going to go from a \$5 billion market to a \$30 billion market.

That's a compound annual growth rate of 20% year over year.

The people that you are selling to are the most desperate cohort of individuals, right?

Like started losing a little hair on the back of my head.

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That sucks.

Like that is a thing that you don't want, right?

So I think and I think you see this already with Hems and the other one.

I forget Roman or something, whatever the name is, like they're selling like fear of balding, basically.

And they've been able to create these huge businesses.

And I think if you're able to do this, like if you look at the hair transplant market today,

it's a bunch of just like kind of like semi shady plastic surgeons.

Like billboard like like billboard having billboard.

Yeah, exactly.

Those kind of people and like you have to sign like these waivers where it's like, you know, like 50 pages of like,

I will not sue you is what it sounds like.

And I just think there's an opportunity to build a better to build to build something like that.

Can you tell me how so a thing that before I started Hampton,

I was really interested in the research business, particularly data.

I screwed this up with trends, man.

At the hospital, we had this business called Trends.

I charged \$300 a year is really dumb.

And I went like fairly broad.

We should have just done that before a more narrow niche.

And you're one of the few companies, I think that's going to a few media company, few media first companies,

that's going to pull off having a totally non related income stream to ads.

How does your research business work?

Because I'm what I've noticed is that there's very little innovation, not innovation,

but there's very, there's very few younger people talking about it because it's not very sexy.

But if you look at a lot of really large companies, for some reason, a lot of them are in England,

but there's like a lot of research businesses that are making hundreds of millions of dollars a year.

And they've been doing that for 50 years, but they're so big and the founders are dead.

And so I like, I'll go and like read the biographies,

but I'm like, I don't even know how you started this damn thing because like it's been lost in 50 years of history.

How is, how does your, what's your research business providing the user and how do you operate it?

How does it work?

Basically in crypto, there are these things called protocols like Uniswap and Aave and Compound.

And then there's like these layer ones like Ethereum you've probably heard of, Solana, all these other things.

The industry is moving from treating these protocols like they're these like weird esoteric things to treating them

like what they are, which is just businesses.

So MakerDAO, for example, they'll do a hundred million of revenue this year.

That is a business.

They have like people they pay like employees and contractors, profits, costs, that is nobody talks

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about them like that.

So what Blockworks Research does is it's a platform for investors who allocate to crypto assets to basically look at these crypto protocols

and look at their user metrics, financials, get research on them.

We're very early to trends with what's happening with the protocols.

You can look at the governance.

So like if you want to look at who's voting on different proposals,

if you want to look at like how people are, how people like who are the big stakeholders inside the protocol,

you can look at all of that inside the platform.

So it's probably not useful to you.

It's incredibly useful if you're a crypto fund who has like 2% of their portfolio in crypto.

And you're getting and so the way that you built like the V1 was did you just go and find like a dozen or something public or private databases

and aggregated all of the information into an easier to use way?

And then do you like write articles on your findings?

We started with research.

So what we started with was we just hired analysts and had them write like what feels like almost sell side research on these protocols.

And we put it behind a paywall and super easy.

We started with 25 bucks.

I don't know.

I don't know what sell side research means.

You're using these words and I don't know what they mean.

So I'm going to interpret it as disrespect.

It is disrespect.

It's like the 10 page research.

You got a lot to learn, my friend.

I don't know if I can anything, dude.

If you like 10 page reports on like how is something doing?

So they'll be what's like the sales.

So in finance, there's no I don't know anything, man.

You had a family in finance.

You know this shit, man.

My dad sold onions for a living.

I love onions.

So anyways, we have there's like deep research basically on these protocols.

So instead of a new story, which might be a couple hundred words, there's like a 10 page report.

Like here's how we think the assets going to do.

Here's how that we think the protocol is going to do.

Here's how the last quarter, the user metrics looked compared to this quarter.

That all went behind the paywall.

That's how we launched.

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Then we did what you're talking about, which is we basically just started.  
There's all these inside these protocols.  
They vote publicly on what to do with the protocol and it's called like forums and proposals.  
And that's a total pain in the ass to track that it all happens like discord and all the and on these disparate sites.  
We just super manually scraped all that information, put it into a database and then built a front end for that and put it behind the paywall.  
And now we've automated most of these processes.  
But back then it was just a lot of like very manual uploading.  
And then two weeks ago we launched our analytics product, which is like the data product where you can see the user metrics and the financials for any of these protocols.  
So if you want to look at, hey, what was Ethereum's revenue yesterday?  
I can tell you that.  
What was Ethereum's revenue compared to Solana's revenue yesterday?  
I can tell you that user metrics of like this exchange versus this exchange.  
I can tell you all that.  
How much did the first product cost to build?  
Like a million bucks probably.  
So we have a team of eight analysts and a couple of engineers.  
And how big do you think this business could get?  
Just the research side.  
I think Politico Pro, what were they doing?  
They were doing like a hundred million in revenue, weren't they?  
Politico sold for a billion.  
So the reason Politico's business was nice was they had a huge media business and then about 0.01% of their audience converted into the research platform.  
And that was called Politico Pro.  
So yeah, we think it can get much bigger than that.  
We think that there's a lot more ad dollars and a lot more research like subscription money in finance than in politics.  
So like low end of the spectrum, you've got Politico, they sold for a billion.  
Bloomberg Terminal is like the super high end.  
It's like saying you want to build a Google or an Apple.  
It's like Bloomberg's one of the best businesses in the history of the world.  
They'll do like 9 billion in subscription revenue.  
So that's a crazy business.  
But somewhere in between, there's like Refinitiv.  
Nobody knows Refinitiv.  
They're at Capital Markets Information Platform.  
They sold for I think 27 billion.  
CapIQ, right?  
FactSet.  
A lot of like multi-billion dollar companies just built on the back of basically one asset class.

## [Transcript] My First Million / How Blockworks Bootstrapped To A +\$20M/yr Crypto Empire

Like Bloomberg was just bonds and then you expand out from there.  
Are you taking all your personal money, Jason's money from the company and buying crypto right now?  
So Mike and I don't pay ourselves that much.  
So we don't, I mean, most of my money is just in blockworks.  
Like if block, like it's just, yeah, I don't like, I don't have too much money yet.  
But you're heavy on crypto, right?  
I mean, of your liquid portfolio?  
Of my liquid portfolio, I'm, until very recently, I was 100% in crypto, yeah.  
You're insane, man. I think that's so stupid.  
That is insane.  
You and my wife agree. So that's not the case anymore.  
But if it was up to me, I'd be 100% in crypto.  
Really? Still?  
That's crazy, man. Why?  
I have deep, deep, deep conviction on this industry.  
More conviction than the energy drink?  
Slightly, yeah.  
Yeah, deep, deep, deep conviction.  
And like, I think it's one of the best things to work on for the world.  
And I think it's, from an allocation perspective, like risk reward perspective, there's no better industry in the world to work in than crypto right now.  
I was talking to Sean the other day, like to text.  
I was like, my preferred route for personal finance is just like, his argument is, I was like, well, do you think that, I think the trailing 100 years is going to repeat itself.  
And he kind of is like, well, I actually don't believe that.  
Okay. So because I believe it, I think like an 80-20 of stocks and bonds is the way to go.  
But what I think is, if you have a private company like Black Works, like I used to, I think it's reasonable to keep most of your liquid money in a, in almost mostly bonds or T-bills or some type of like liquid, but low rate of return, but safe bet.  
And then you have what's it called the barbell strategy.  
And then you have the rest of your money in a high-risk thing being your private company.  
Your private company, I would say is not crazy high-risk because it's a profitable business with years of operating history.  
But if I'm in your position, or my criticism of that portfolio is, you have your liquid money in a high-risk bet at the moment.  
And you also have your private money or the majority of your net worth and also a somewhat high-risk thing. Doesn't that freak you out?  
I know you're neurotic like I am. How do you go to bed at night?  
They can like that.  
No, it doesn't freak me out. It doesn't freak me out at all.

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And here's one difference. You have money, right?  
Nobody ever got wealthy through diversification.  
No single person ever got wealthy through diversification.  
But you are wealthy. It's just not in cash.  
Your Black Works is wealth. It may not be cash money, but it is wealth. It is something.  
I get that.  
You could make the argument that, look, if crypto works,  
Black Works is a billion, multi-billion, whatever you want to call hundreds,  
whatever you want to say, whatever number you want to assign to it.  
So I'm basically already betting big on crypto.  
So yeah, put it in equities. That's the reasonable thing to do.  
I think you're probably right.  
It's this cheesy Jeff Bezos regret minimization thing.  
You know what would kill me, Sam?  
If I didn't have any of my personal money in crypto,  
and crypto went the way I think it's going to go,  
that would kill me to my bones.  
You know what wouldn't really?  
It would suck, but I would be like, at least I took a bet,  
is if crypto went down another like 90%,  
it wouldn't phase me at all.  
I'd be like, you know what? I took a bet.  
And even though I make fun of you, I respect that.  
I think that, I do respect it.  
I think you're in a really good, I think you're no different  
than the Brett Adcock who we just had on,  
who's just like, you have an idea, you have a vision,  
you think the world's going to go one way,  
and you're talking the talk and you're walking the walk.  
And so I deeply respect that.  
I think the good news is that you're such a wonderful entrepreneur  
that everything's going to be great in the grand scheme.  
But I always like to push back on people who are pretty...  
Dude, it's also just the way the world is going.  
So I probably agree with you about the S&P.  
The S&P will most likely just keep doing what it's doing  
and it's a safe place to go.  
But does any part of you look at what's happening with the world  
and say things might be a little different in the future?  
Do you know who Peter Turchin is?  
No.  
Does he spell his name funny? Does it actually start with a T?  
It does.

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So Peter Turchin is this historian and mathematician.  
He developed this field called Cleodynamics.  
And he kind of studies the...  
You would like him, he's a history guy.  
Studies like the cycles of cooperation and conflict  
amongst elites in societies throughout history.  
And his argument is that periods of internal peace and cooperation  
are disrupted when the population of elites grows too large  
and then competition emerges among them  
for what is actually these limited elite positions.  
Which then, because there's too many elites and too little positions,  
that leads to infighting in the elites  
as they try to maintain their wealth and status.  
And it causes social instability and a breakdown in cooperation.  
And it doesn't, historically,  
that breakdown in cooperation and social instability  
does not stop until there's a crisis like something big.  
See, it collapse, revolution, whatever it may be.  
And then a new cycle of cooperation resumes.  
So I don't know if you tend...  
If you look at history, you can see history  
through the lens of whatever lens you want to see it.  
There's like the fourth turning,  
which is like these four big periods,  
and you can explain it like that.  
There's like this Peter Turchin Cleodynamics view.  
But one thing I believe is like crypto  
is a better way out of this whole system.  
So let me give you my argument against that.  
Cool.  
I think it could be true,  
and I don't know anything about this guy,  
but I want to learn about what he thinks.  
I know I read a lot of history books,  
and I do it for fun,  
not for trying to find the answer to this question.  
But what I've noticed is that when empires cease to be number one,  
they don't go to not existing oftentimes.  
They just go to being like number five or number seven.  
For example, England.  
So, or let's just like look at...  
I just pulled it up.  
I just look at what the iShares Emerging Markets ETF is.



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For the trailing 30 years, it's compounded annual return.  
It's something like five or 6% a year.  
So the reason why I'm willing to bet over the next 100 years  
that the trailing 100 years will repeat itself  
is because if it doesn't repeat itself,  
it's still not going to be that bad.  
It will go from...  
So actually in the last 15 years,  
I think it's been, you know, crazy.  
I think it's been like 13% a year.  
I think that if it's not 7% or 8%,  
it might be 5% or 6%.  
Do you know what I mean?  
Yeah, I kind of agree with that.  
It's not going to go away.  
It will maybe not be as good, but it's not going to go away.  
That's kind of my point.  
That's what I believe in.  
I agree with that.  
I agree with that.  
I think we're on the same page.  
But I think that you just...  
I think it's just far more exciting to read about America ending  
than it is about the same shit happening over and over again.  
I don't think America is going to end.  
And I don't think that...  
This is my problem with kind of like the Bitcoiners,  
which you're not in like you don't spend time on crypto Twitter.  
So you're in your lucky man for that.  
But the way, the best way for Bitcoin to really work  
is for the US to collapse.  
And that is a really shitty vision for the future.  
And that's why I don't align with a lot of the Bitcoiners,  
I would say.  
Bitcoin's a good hedge, but I don't want Bitcoin to go to a million  
because the world in which Bitcoin goes to a million  
is the world in which civil war is back in the US.  
But Ethereum and what is happening in DeFi  
is a very different vision.  
And that is a vision that like says,  
look, these companies that were built in the...  
In Amazon, Facebook, Google and Apple,  
they have become far too powerful.

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The traditional way to...  
Or like what the US thinks is the way to like  
decrease their powers through regulation.  
I don't personally believe that that's the way to do that.  
And I don't think that will work.  
And I think that the best way to like build a better future there  
through is through crypto.  
So...  
As we wrap up, tell me the books and articles  
that you've read on this topic.  
Who is that guy?  
What was his name?  
Peter Turchin.  
Okay.  
And what are the other...  
It sounds like you've read about this.  
What else is good?  
Fourth turning is good.  
How long is that book, dude?  
I can't read a thousand pages on this topic.  
What is your current thought on crypto Sam?  
Just out of pure curiosity here.  
And like seeing something like permissionless  
with like thousands of people walking around,  
like do you think that is a scam?  
Do you think it's just not going to work?  
Do you think you're excited about it,  
but you don't understand it?  
Like I'd just be very curious to get your take there.  
I'm not incredibly well-versed.  
So I will preface anything by saying that like I've not...  
I'm not that well-versed in it.  
But I would say that the major things in the space  
like Bitcoin and Ethereum, I do...  
I enjoy the ideology of it.  
Like I respect that.  
And so I support it.  
I think that 90% of the rest of the stuff is a complete scam.  
I think NFTs are for the most part total bullshit.  
I think Web 3 for the most part is total bullshit.  
And I think that the people who entered into that space  
oftentimes are horrible entrepreneurs  
who are looking for a get rich quick schemes

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and by slapping Web 3 or an NFT onto it rather than building a widget that truly solves a problem that people love that isn't just built to sell to other people in that space. So that's what I believe. So I own Ethereum and I own Bitcoin and I like to sit on it and I enjoy the idea that it could exist because I'm in favor of like the government not controlling certain things. I think it will exist for a very long period of time. It will potentially become more useful, but most everything else in the space I think is nonsense. Cool. Interesting. What do you think? What do you think of that? I think you're generally right that there are a lot of hucksters who come into crypto and that was probably true two years ago. Anyone who's still in crypto is not a scam artist. It's two that no one operating in a market that's 90% down trying to scam people. But two years ago generally the same. And I think like you love history. You read all the same history books that I do. There are a lot of parallels to new industries, right? Whether it's like all the scammers coming into the oil industry, right? In like the 1870s, like very similar because there's get rich quick money trying into the railroad industry, same thing, get rich quick money into the car, into the electricity industry, into the car industry. Like basically 90% of people who came into those industries, they were scammers. And I think that America, because we're talking super macros, America's probably the most optimistic country in the world. And that leads to frauds. And you can't have one without the other. So like in places where they're not optimistic, they don't have frauds.

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They also don't have companies that get built.  
So I think those are like,  
you can't have best part about someone's  
also the worst part about someone, one and the same.  
I think the worst part about crypto  
is that the people who are selling  
bullshit social media consultancies or agencies,  
then they got into like crypto.  
I agree.  
I agree.  
And now they're in AI.  
Now they're in AI.  
And now they're in AI.  
And I think it's that's bad for that industry.  
It's like being a presidential candidate  
and like the KKKC being like,  
being like, oh, we love you.  
You'd be like, no, no, no.  
Get the hell out of here.  
You know what I mean?  
That's like what it's like.  
Yeah.  
We're like, I don't want to get out of here.  
Yeah.  
That's been quite bad for the crypto industry  
in the same way.  
Yeah.  
It is AI now.  
But that's kind of my opinion.  
I agree.  
What's your plug?  
Blockworks Research.  
Yano on Twitter.  
What are you?  
What are you doing?  
Yeah.  
Yano on Twitter.  
We got blockworksresearch.com.  
We have eight crypto podcasts at Blockworks.  
So if you like crypto podcasts, go to, you know,  
we got a bunch.  
I host one called Empire.  
That's the plug.

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Come to our conferences.  
Das London coming up March 2024,  
going across the pond.  
Well, I appreciate you coming on.  
That's the pod.  
That's the pod.