

## [Transcript] My First Million / The Boys React to the News: The New Theranos Scam, Crypto Rally, and Gas App Sells to Discord

You got caught. OK, you got got.  
And OK, I think we should create a set of the Forbes 30 to 30.  
I think we need like the made off one thousand.  
We're all the grifters and con artists that are that are out there.  
All right, we don't normally let Ben have ideas,  
but we let the man out of the cage.  
He's got an idea, Ben, what you you texted us this morning.  
You want to try something.  
What do you want to try?  
We're doing a new segment, fellas.  
We're just going to we're going quick through the news  
and we're having you guys react.  
People want to know what the fellas think about what's happening.  
So we're going to we're going to find out.  
We're called. I'm going to call this the boys react.  
I've been trying to make this the boys thing a thing for a little while now.  
And it hasn't happened.  
But as I taught my daughter yesterday, we never give up.  
And so the boys react is going to be we're going to react to the news here.  
So Ben, you have some news segments or news stories, I guess.  
And Sam Sam actually likes the news.  
Sam Sam's into into the news.  
I'm like, dude, I read the news like crazy.  
You don't read the news.  
I'm an anti-neuser.  
I just love drama.  
You know, I love preppers.  
I'm like, whatever that is, where you avoid the news at all costs.  
Yeah, I just like gossip.  
My life's pretty boring.  
So I need I need drama.  
I love the comment sections, too.  
Somebody said this the other day that I think it was like Naval or one of these  
smart guys, they go, the goal of the media is to make every problem your problem.  
And I was like, oh, that's pretty true.  
That's kind of like what the news is.  
It's like, oh, there's a flood in this county I don't live in.  
Shit, I mean, watch this for 20 minutes.  
Why do I care about this?  
This is nothing to do with me.  
All right. But anyways, sorry.  
Let's start.  
OK, the most interesting one, Ben.

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What is it?

We're starting a little close to home.

Your friend, Nikita Beer, his social app, GAS, was acquired by Discord for an undisclosed amount.

What do you guys think about your buddy, Nikita, being acquired by Discord?

Give the background, Sean, about this guy.

Like, because it's a pretty it's a caper.

I call this a caper.

I don't even know what that means.

A caper.

It's like a caper.

It's like a scheme, but like it's like when you would rob a bank, you know, you'd be like, this is a great caper.

Fool me once, shame on you.

Fool me twice, shame on me.

He just fooled the tech industry twice, dude.

He sold the same app.

So he built an app called TBH that was like, you know, let a teenager go on and it basically quiz you about people in your school, your friends and be like, who's the most cute boy in your life?

And you're like, oh, Sam is like, who's the most likely to be famous?

Oh, it's Ben, right?

You just do that, right?

And then they would.

And this is eight years ago.

Yes, so he's a cute download my app.

And of course, that should work.

He did that and like it immediately went viral because it went viral.

Facebook buys the thing because Facebook has like a system internally that says like viral team app and it's like must acquire, must acquire viral teenage app.

You know, like get that young blood in here.

And so they acquired it.

People had said a hundred million dollars.

I don't know.

It's not a hundred million dollars.

But but I think something more like 30, 40 million bucks.

And and this was in 2017 that he did.

Seventeen.

He sells the app.

Promptly, the app gets shut down within like a year because there was never any retention in this app.

He then sits at Facebook for four years and vests out the entire every cent of his earn out, which is just hilarious at its own right.

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And all he did was just tweet all day.  
You know, like, you know, he worked in the new products division and, you know, half released some apps, I guess.  
And then he he leaves, you know, what's it called recidivism?  
Sam, you're a person guy.  
He leaves the jail of Facebook and he does the same goddamn thing again.  
He creates another teen app for compliments.  
He tells us this in advance.  
He goes, yeah, I'm just going to make an app that makes like ten million dollars in three months.  
And we both kind of laughed it off and we're like, is that even possible?  
And then he pretty much did it.  
I think gas app has made seven million in gross sales in like three ish months.  
So, you know, pretty much called his shot, which we do respect.  
But also we have to clarify one thing, Sam.  
Ben said he's our friend.  
Is he still our friend after how insufferable he is in the group chat?  
So he is insufferable, but I kind of like it a little bit.  
I think it's pretty hilarious.  
I love a good troll.  
I think that you're missing some of the data here.  
So he sold the company to Discord.  
There's no release on price or anything like that.  
But some people can make guesses.  
But basically between leaving or being at Facebook and Discord, he creates this mystique.  
I call him the Jewish great Gatsby.  
He creates this kind of mystique where he's got this really lovely home in L.A.  
He's single or at least he's not married and he like hosts really fun parties.  
And then he posts on Twitter about like his opinion on going viral and all like legends, like quote, legends start following him.  
And they like message him and they he's created this aura of sophistication and of like, he knows what he's doing with apps, which is true.  
It's all true.  
He's very talented.  
But it was pretty cool how it was like kind of systematic.  
So he has the talent, he has the skill, but he did a great job of also flexing that he had the talent and he had the skill.  
And people start flocking to him and he starts launching this thing.  
And here's the analogy.  
He's like he's like the guy who moved he moved to a new high school as a sophomore and then didn't try to make a single friend.

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But he just went to lunch and he was just totally content sitting by himself. He wasn't a loser, he was almost too cool to have to try. And because of that, everyone's like, who is this guy? Does he have a girlfriend in college? Oh, my God. And he would just be like, you know, texting his college girlfriend that you don't know if you know if they exist, but he just built this aura, this mystique around him by almost not trying. Whereas everybody else on Twitter is like, hey, follow me for more threads about how great I am. Right. And he's he's trying to do the exact opposite where he's just like only shitposting and, you know, just hinting and posting little screenshots that make you think he's up to something big at all times. Yeah, you're like, who's this kid coming up to school as a 16 year old in a motorcycle, you know, like this guy's got a neck tattoo. Like I can't confirm that he's a bad ass, but like all all signs point to it. That that was his thing. And he never he didn't deny it. He didn't confirm it. So it could be true. It could not be true. But the fact is, is that he created this app, something happened to it. Like there was a crazy rumor with the app that it was used for child sex trafficking, which wasn't true. He changed the name of the app. Then he changed the name again a third time and it takes off and he sells it. We're recording this on a Wednesday. I believe it was announced yesterday. This is a wonderful caper, not to say that Discord didn't get value. I have no idea what the truth is. The truth is probably like they're going to make something cool of it. Who knows? But he pulled it off. He called the shot. He pulled it off and he did it in such an obnoxious way, and that's why I love him. You know, I love guys like that. I love what he did. And honestly, I love the way he did it, too. But the problem is he's like a fart. A fart is amazing when you're more than six feet away. You don't want to be too close to the fart. Like, you know, the fart's not funny when you're right up against it. And so that's the problem with this is we were too close to it. We had to hear him. And he loves smelling his own scent. He loves smelling his own fart, too. And so, you know, he will in our group chat just post every, like, Twitter mention

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where somebody's like, oh, my God, Nikita's done it again.

Oh, my God, Nikita is the best.

It's like, bro, I don't need your Twitter mentions posted here, you know, for me, for me to see. It is completely, he's an insufferable fart, but I do respect what he's pulled off.

Yeah, it's pretty funny.

So this is like an interesting thing.

I can't believe he pulled it off, but he called his shot.

And I respect that.

I think it's cool.

Also, he's done a thing like, you know, Mr. Beast does this thing where like, if you go talk to a pretty serious business person, they will like reference a Mr. Beast and like a Mr. Beastism where they're like, well, Mr. Beast said, yeah, yeah, Jimmy just says, you know, we just try to make great videos as if like, nobody else tries to make great videos or he'll be like, or he'll be like, you know, we just we're willing to put more into our content and try to make the best content possible of all of us.

And then if somebody goes and looks and they're like, bro, you your video is put your hand on this car and the last person to take their hand off, you know, the last person with their hand on the car keeps the car.

Like this is not like, you know, you're not Steven Spielberg over here, but didn't we talk about this where we're like, look, we're going to do this thing and we're going to send them a welcome letter and we're just going to make it really delightful.

It's just going to be a beautiful, really well done, just beautifully done.

And if you do it like that, people start to buy in, they start to eat that little puppy chow.

And so similarly, he, Mr. Beast does this reality distortion where he makes you believe that he is the deepest thinker.

He's creating the most epic, beautiful, well done content.

He is a really thoughtful, just like, you know, watch me fart in people's ears.

It's true that people, I'm on a fart kick today, people, people do like it.

The content would definitely work, but it creates this, almost this mystique around it.

And I feel like Nikita did the same thing where he'll tweet out shit where he'll be like, just move the butthole a little closer, tweet out like the underrated metric and social networking is density by far more important than spread.

And he's like, you know, like if you're still measuring K factor, you might as well still be using a blackberry.

Right.

And he'll tweet out shit that makes you think like, damn, this, this motherfucker knows shit that I don't know about social networking or he'd be like, there's only five people on earth that can tell you about building social networks.

The problem is they're all unhirable because their names are names are Mark Zuckerberg, Jack Dorsey and Nikita Beer.

So and so by the way, I think levels to this levels.

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So I think he does a great job of creating it's like, bro, you created a app that lets me say which which girl in my high school is the cutest and then it texts her, somebody said, you're cute.

Right.

Like, you know, there's beauty in the simplicity for sure, but they almost make it sound more complicated and artistic than it really is.

And trust me, it's not, we're not, we're not like every other social app.

You see, we're changing the world one popularity contest at a time.

We're, we're democratizing popularity.

He went on, on like CNBC or one of these like news networks or whatever.

And they were like, we have here the founder of the hit teen app.

The sensational app jazz Nikita, what inspired you to do this?

And he's like, you know, we just believe that teens, you know, the world needed a little more positivity and that we wanted to create a safe space for whatever.

And it's like safe space.

They were showing a screenshot of the app and the screenshot said, who's most likely to steal your girlfriend?

He's like, you know, we just want to breed positivity in the world.

Dude, the only safe space he wanted was a vacation home in Tahoe.

You wanted to, you know, you wanted to fly private.

That's what you wanted.

Hey, mission accomplished.

I respect that.

That is amazing.

Yeah.

His next app is going to be called plebe, but in all seriousness, he pulled it off.

I think it's cool.

Yeah, I make fun of him because, because of how obnoxious he's been for four months in this group chat, but, but, you know, deep down, he's my kind of people.

I respect, I respect what he's done.

And I also respect the massive troll that he's played on everybody here.

So this is good.

All right, everyone, today's episode is brought to you by marketing against the grain.

If you want to know what's happening in marketing, then this is the podcast for you.

The hosts are Kit Bodner, who's HubSpot's CMO and Kieran Flanagan, who's HubSpot's SVP of marketing on the pod.

They share their unfiltered marketing expertise.

One of my favorite recent episodes was called why creators are disrupting marketing.

Kip and Kieran talked to Steph Smith, who's been on my first million a ton, about all things creator economy.

They asked her how you could find a niche audience, how to create great content for them and how to monetize that content.

And if you know Steph Smith, you know, there's no one better at that type of stuff.

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So if you love marketing, you want to know what's happening at the cutting edge of the world of marketing.

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All right, do you want to invest in the real estate market, but you're unsure how to do it in a housing correction?

I get it.

It's a confusing time to jump in, but let me tell you something, experienced real estate investors know that these type of uncertain markets, often called transitional markets, are some of the best times to find opportunities.

All you need to know is what strategies and tactics work in these market conditions.

And if you're not sure what those are, you're in luck because biggerpockets just released a report full of real estate investing trends analysis from 2022 plus suggested strategies to help you win in 2023.

Whether it's your first investment or your fiftieth, download the state of real estate investing report from biggerpockets.

It's completely free and you can find it at [biggerpockets.com slash invest 23](https://biggerpockets.com/invest/23).

That's [biggerpockets.com slash invest 23](https://biggerpockets.com/invest/23).

Speaking of trolls who didn't pull it off, Ben, we got to get to the next story.

Before we get to the next story, though, we do have to remind everyone, we have a gentleman's agreement here.

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You go and you subscribe and then we work for you and we make this content for you and we reveal our life and dedicate our lives to you.

It's simple.

That's the gentleman's agreement.

Next topic.

From someone who pulled off a caper to someone who did not, JPMorgan Chase bought college financial aid platform, Frank, for \$175 million, has now shut down the website and claims that they fabricated more than 4 million accounts on their first email to their customer list.

They got a 70% bounce back.

Founder Charlie Jarvis, I think it's pronounced, denies that this is fraud and claims that JPMorgan is just inventing reasons to not pay her.

Phyllis, boys, who do you believe?



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Well, JPMorgan, this lady was a Forbes 30 under 30 and then just like a couple years later sells her app for nine figures, 100 million plus.

It's pretty hilarious.

They even found, they tracked it down, I believe, where they talked to the developers.

They hired one freelancer, I think, who they said, hey, can you make some test data to put in here and he starts doing it and the guy was like, I think this is fraud, I'm out.

So they found those emails and then they did it again with another contractor and who actually did do it and they convinced the contractor that it wasn't fraud.

And so they've kind of honed in on this, that it seems quite clear that it's fraud.

Bold move, very bold move, very easy to catch though, really stupid.

This seems like really a foolish mistake.

Yeah, this is like, JPMorgan's got a little egg on the face for not noticing this because this is pretty easy to notice.

I mean, the fact that they sent one email and 70% bounced back, right?

That sounds like it wasn't this really sophisticated botnet that was simulating real users.

It was just a bunch of fake emails in a database.

So that sounds pretty easy.

But also it says there's an email where she's asking the professor who ended up doing this, will the fake emails look real with an eye check or is it better to use unique ID?

So like, you know, handed the cookie jar as we say around here, you got caught, okay?

You got caught.

And okay, I think we should create a set of the Forbes 30 into 30.

I think we need like the made off 1000.

We're all the grifters and con artists that are out there.

You know, I think that, you know, maybe the Kaper 20 or something like that.

We got to come up with something here and we need to just annually, I think we should just do a show where we just rank the best cons of the year and give them their due.

Let them put that on their bio.

Dude, I'm down.

And what's crazy is this is so, so when I sold the hustle, we had I think 1.7 million subscribers.

We used this service HubSpot paid for it and it was a service.

I forget the name of it, but I believe it did two things.

We uploaded our whole email list and then I think HubSpot uploaded some of their email.

I don't remember exactly how it worked.

I think they did it and it showed the crossover, like how many we each shared in a huge amount of emails.

I imagine HubSpot has like hundreds of million.

I have no idea.

A lot of emails.

And then I also think it checked for fraud and it was like a couple of days to do this.

It was pretty simple.

There's just a few other services where they make fake data and the reason they do this



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is if you have a sensitive thing like a bank startup, you put a whole bunch of fake data in it and it like makes up people and you can test your data because you can't use like, you know, obviously real social security numbers when you're testing certain things and they would make up fake stuff just to test the software and make sure it all works.

Honok, I think it's called tonic.ai.

It's the fake data company.

We talked about them on the pod.

I love this idea.

I've been trying to invest.

I forgot.

I need to invest in this.

It's a cool thing.

And so also with GPT-3, whatever it's called, I was like thinking, I'm like, dude, I should just, I'm not going to do this, but maybe I was like, I should just make up fake reviews for all of my like products and you can just like make up fake reviews or you can like make up negative reviews for all your competitors products.

But I was like, are you looking for a nomination to the made up 1000?

We'd happen to have you, but you do need to formally submit the application.

Yeah, we have to make everyone pay a \$500 application fee too.

Right.

If there's no con going on on our side, what are we doing here?

Yeah.

Yeah.

Yeah.

Yeah.

Yeah.

Yeah.

Yeah.

Yeah.

Yeah.

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Yeah.

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Yeah.

Yeah.

Yeah.

Yeah.

So, and this is the only way to hold yourself accountable to not just acquiring shitty subscribers.

Right.

And so, we had started this new growth channel.

to reveal for them to answer. Just to be like, Hey, I just wanted to know, blah, blah, blah.

I'm the founder of this thing. Just wanted to know blank because they're opening the thing daily. It looks like, okay, fantastic. Surely they would, they would reply to an email from their owner of the thing they read every day, right? And he was like, dude, guess how many, I forgot how many, there was like a couple thousand people on this thing. He was like, guess how many people replied? I was like, well, you didn't say percentage. So, man, this is a number of people who replied. I was like, I don't know, like 400 or 500.

And he was like, too, we got two replies turned off the channel. Oh, my God.

It was like, wow. And I know a bunch of other people that are still buying from this trap, this like, you know, this, this marketing player, this traffic source. And I'm like, well, they're, they're just dumping money down the drain if they're doing that.

Dude, seeing Billy McFarland and the Toronto Slady go to jail,

like this woman potentially could go to jail. Do they not think like just like eight months in advance? It's like, man, this isn't like internet play games. This is like go to prison games.

You're, this is really screwing up a hundred plus million dollar acquisition and 70% of the users were fake. That is crazy. You go to prison for that type of stuff. That is wild. And it's just crazy to think that no one's there. And they're like, Charlie, you know, like, are you, do you like generic Oreos and bologna sandwiches? If yes, then this is great because that's what you're going to be eating for like the next nine months in prison. It's great Oreos. That's, that's

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nice. Well, not, not when it's every day and watered down Kool-Aid, but like, it's just, it's pretty wild that people don't think ahead. But this is such an obvious scam. Also JP Morgan, you guys suck, man. You guys got to be on top of the ball. Like this is such a, this is seems pretty easy to figure out. Yeah, fair enough. All right. What's, what's next? All right. All right. Bitcoin and Ethereum are up 23% over the last week. Crypto is rallying. One major cause is continued rise of inflation, 6.5% annualized in December. The question for you fellas is crypto back. No, you want to just end it there? Well, I will give you that's a great answer, Sam. I will give you a slightly different answer. Do I get to say like I told you something? No, I don't get to say I told you so. In fact, I might maybe take the other, the other L that I, did I sell book road too early? Did I sell the bottom? No, I think that a lot of things are rallying right now. Why? Because people did, I think it's just a simple answer. People did an end of year sell off in December for tax loss harvesting. And a lot of people will reenter and then that creates some upward momentum. And when there's upward momentum, that makes people think, Hey, is it coming back? Is this the rally? Did we, did we hit the bottom? Is it time to buy back in? And so people are buying back in. I don't think it's because inflation in December, because guess what? We hit inflation in October and November and September and now I guess too, like where was, you know, if, if inflation was driving crypto up, it should have been up all year last year, not, not down. And so I don't think that that narrative holds. I think it's much more likely that the same way that tech stocks are having a little brief rally. It's, it's kind of like New Year optimism, people being done with their kind of like in crypto, there's no wash sale rule. So you could sell book the loss for tax purposes and buy back in one minute later if you wanted to. And so I think people are just buying back in. And I think there's a little bit of people chasing momentum. That's my guess. Have you ever looked at the correlation between G-wagon prices, use Rolex market and Miami penthouses and how it relates to crypto? There's gotta be correlation there. I have not. There's gotta be a correlation there. We got our best data people on it. Did you see, yeah, Ben Google that. Did you see, I'm just gonna start telling Ben just to Google random stuff that are un-Googleable. Did you see that there was a guy in like, you know how we have this Facebook group for MFM that we don't really check often, but there was a guy who was like posting in a bunch and he created this website where you can sell your NFT at a loss for tax purposes. It's kind of interesting. It was a great idea, honestly. What's it called? I forget the name. Ben might actually know it. It was called, they advertised in the milk road. So I remember seeing it there and being like, oh, wow, this is actually a great idea. Hold on. What did you say? It was like a really, it was like a white guy with like blonde hair. Looks like unsellable. What is it? Unsellable NFTs? Yeah. Yeah, that's it. Unsellable NFTs. And so basically, if you wanted to book a loss on your NFT, they would basically let you instantly get liquidity on it and get it right back, I think is the idea, which is just a very useful, simple tool. So, you know, get on that gap for creating that. That was a smart, smart idea. So is this the segment? Den boys? Den boys react? Is that it? I think we're not ready for Den boys yet. I think we're still the boys until we get a little more street cred. But hey, go to the YouTube comments and tell us, is the boys going to stick? Can I make it a thing? Because I sure, sure would like that.

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A thing or not a thing in the comments. I just want to, I'll do, I'll read the poll. And if it says not a thing, I'll only continue for another three or four years. If it says it's a thing, I'm totally validated. All right, that's it.