



Jake 02:21

Thank you so much, Ryan for taking the time and join me on the show today. For those who don't know you, you are founder and CEO of masari. Prior to that you were with DCG where you oversaw the acquisition of coin desk and led them to quite the turnaround to become sort of what it is today. You've been generally involved with the crypto space for a long time when it's sort of the oh geez, who got involved in the early 2010s. So it's great to have you on today. I guess for those who don't know you beyond the quick blurb that I gave, I always like to get started with my guests, you know, hear hearing their story, sort of as early as you were willing to start to how you got to where you ready to?

Ryan Selkis 03:02

Sure. Well, first, thanks for having me. I've been around for about 10 years now in the industry. I started my career in venture capital and investment banking, and got into crypto back when I was just Bitcoin in 2013 started as an independent analyst and ended up getting over but it really quickly because I through my daily newsletter, got my hands on Mount Gox documents pretty early on and broke that story that half a billion dollar bankruptcy biggest Japanese exchange at the time that a lot of people including myself thought might have killed crypto back then and ended up continuing to write join digital currency group Later that year, to help with seed investing activity, building a core team, raising funding for the organization. And then ultimately, once we did all that in 2015 last bear market, we ended up acquiring Coyne desk, which is a small investment of ours. And I ran that restructuring and built out the consensus franchise from 2016 to 2017. Got the business to profitability, got the team size from barebone staff about six to Bell 21 I left and obviously they did very well continue to grow through 2018 and ride the back of that consensus franchise for the rest of the business. In 2017, I started looking around at the broader asset class beyond just Bitcoin and everything that was happening with aetherium ecosystem and the Ico boom. And I thoughts. Most of them were extremely crazy valuations and most of the projects were not going to make it and ultimately, the white papers that people were raising money and ridiculous sums of money on weren't going to come to fruition. But there was enough promise within the asset class more generally that there was going to be a lot of really



interesting projects between decentralized exchange As that were popping up decentralized web applications like file coin, which I invested in over the summer of that year, and I decided that coin market cap and certainly coin desk at the time, which only covered a few assets wasn't really a sufficient option for professional investors are going to be coming into the spaces as the numbers just got significantly bigger. So we started masari to organize and contextualize crypto data and information at scale. And the short x for y comparison is you build a Bloomberg for crypto. What does that actually mean at the time, because a lot of people were talking about that I think the different tack that we took was to ultimately think about the data structures and standards that would be necessary to power a Bloomberg like entity. We focused early on then on thinking about how would you build an Edgar data library, and 10 ks 10. Q's eight Ks form fours, corporate actions equivalent for a decentralized organization, a decentralized protocol and the underlying asset. And that ultimately became the foundation of business. A lot of those information flows from the hundreds of projects that we work with today, now make up the lion's share of our enterprise product, which is a crypto corporate actions, alerts and monitoring systems, a lot of the big changes custodians investors, and traditional finance firms are using just to stay ahead and keep up to date on what's going on outside of just the top couple of assets. So once they start to go deeper into the rabbit, down rabbit hole, how do you support these assets? How do you participate in these ecosystems long term. On the other hand, we have a really robust data platform with data visualization, tools, charting, interfaces, a screener that's been one of our most popular products. And then of course, our daily research reads from our research analysts community, including our in house team. We just closed a series A so growing the team pretty significantly this year. And just generally speaking, I'm spending a lot more time on thinking about decentralized organizations and governments. Now that some of these early projects that were incubated by small teams or companies are in the process of gradually decentralizing and growing their communities beyond just some corporate entity. We're gonna talk a little bit more about that at some point.

Jake 07:28



Yeah, sure. I appreciate the the broad overview and your, you know, the story that brought you to where you are today. And meeting sorry, congratulations again on the series, a raise \$21 million led by point 72 ventures. So that's awesome. I'm sure you're excited about that just sort of the, the, you know, gunpowder that that gives you to go ahead and sort of build a long, long year vision that you've already started executing on over the last few years. When you started masari, you know, you'd mentioned how when the Icos Icos, excuse me, were coming out, you sort of thought a lot of it was probably a little bit overhyped, but realize that some of these projects held merit. When did you go from thinking about, you know, what we now call crypto as Bitcoin to realizing that there was something bigger here? Was it prior to, you know, the successful launch of projects like aetherium? and other or was it sort of a bit of a, you know, curve for you to, like, see these projects come out and actually stick around for a while and and show some use cases to sort of come to terms with the fact that this was a broader thing, which a lot of people Frankly, I'm sure, you know, you know, they don't really agree with still.

Ryan Selkis 08:43

To be honest, I, I was in the room with one of the theorem co founders, the morning that the crowd sale launched, and the structure of the crowd sale was we don't know what the valuation is, we don't know how many people are going to invest. We don't know any of the terms, but you should, you should buy some anyway. And at the time, you know, that was just that was just so fucking crazy. And I was excited about a theory. But the thing that I couldn't really wrap my head around as an investment was your why isn't all of the transaction settlement just ultimately going to tie back to Bitcoin? Because at that time, it wasn't obvious that Bitcoin was going to be this harden protocol was very difficult to change any real fundamental level by the core developers. And a lot of folks, myself included, thought that you would just be able to take the aetherium smart contract programming language power applications, but then the settlement currency would ultimately be Bitcoin or something like it. And so, you know, I ignored this theorem and not a theory but ether for the first couple of years. And honestly, it was one of those cases where you could know too much about what was going on and and talk yourself out of the project because the early days of the etherium ecosystem were



so dysfunctional and chaotic. And I started paying attention again, probably sometime in 2016 after the Dow fork and and hack, and basically how vitalic and some of the other core members of that community ended up rallying around a solution. And that's one of those cases where the solution is not easy. It's certainly not obvious in hindsight. But you know, it's kind of the exception that proves the rule where smart contracts that are implemented, poorly unable to execute on chain on autopilot, are not a panacea. And there's kind of consequences if, if you mess something up, and code might not be actual law, but it certainly can do some real damage if, if you trust faulty or insecure contracts with with significant amounts of money. So when they did the Dow fork, it was one of those instances where he looked at it, and I thought it was good judgment. And ultimately, something that wouldn't be repeated easily because of how contentious it was because of what happened with a theorem classic. So at that point, you started to see some really early applications built on on Ethereum, and about a little bit of ether. And then during 2017, it just kept getting more and more momentum, you started to see token sales and gas fees, you know, at the time, you start to trickle up a little bit, not anywhere near like they are today. And more importantly, it was being used as the reserve currency for Icos. So you had some holding, like reservation, and then you couldn't hold Bitcoin and participate in linceo. With Bitcoin it had to be efe. So that was a pretty significant change in the thesis from just owning Bitcoin to owning Bitcoin and owning eath. And then kind of thinking about what other assets were ultimately going to be interesting.

Jake 12:05

Right, yeah, that makes sense. So in terms of some of these other assets that start popping up, you know, I'm sure, like you mentioned, I think, filecoin earlier, I'm sure there are some projects that you sort of immediately recognized as being really interesting, and you sort of either follow them or invested them. But I'm curious to hear actually, some of the earlier projects that you thought, you know, you just that I think a theory was like the first example of this, something that you thought was like, this doesn't really make a ton of sense, like, I don't see a huge value here. And then, you know, sure enough, aetherium is where it is now. So sort of other examples, if there are a couple of of projects that you just sort of, didn't make



much of much of at first that have sort of become fundamental over the last five years, or three years, or whatever it's been since they started. And then on the flip side of that, projects, that sort of resonated quickly, but failed to pick up steam, so I won't, you know, pitch examples that you might think of, I'm curious to hear sort of your perspective on that, I guess, sort of things that were sneaky one way or the other, from when they first came out to where they are now.

Ryan Selkis 13:19

I've been bullish on defy for a couple of years. And, and in Dallas for a couple of years. And it's funny, you know, the same day. In 2019, I was on stage at authorial, and I made the comments on that. They're trying to be everything to everybody. And if it simply became the settlement there for decentralized finance, that would be plenty big. And that same day, you know, a meme presented on Moloch dow. And those are probably two of the projects that I was most excited about, you know, kind of define more broadly. And then the potential for Dallas's is just a new kind of governance mechanism and a way to get a community to to agree on Treasury allocations. And, obviously, dows are now at a meta level, a core part of the the token economy and how these decentralized communities are ultimately managed. But I think the thing that caught me off guard that defies I had the kind of long term thesis that this would be big, but I didn't really know how it would ultimately be catalyzed, and how it would, you know, grow with with any type of velocity, and then when you started to see the kind of rise of yo forming, you know, some of the elements from synthetics, and that compound, you know, really open up the floodgates. It was an aha moment that you could accelerate the adoption of liquidity and fees that were generated in these ecosystems by basically giving every early participant a long term ownership stake in those ecosystems so liquidity begets liquidity you solve the cold start problem with defy. And now all of a sudden, you know, we've seen defy go from hundreds of millions, kind of double digit millions of dollars in value locked in 2019, all the way to I don't know, I don't even know where it is now, like \$150 billion, something like that. And that, that one, trick and, and novel idea of yield farming and figure out ways to tie the existing token ownership and liquidity provisioning to additional ownership, so that you wouldn't just be scraping, you know, 10% yields on decentralized loans, because, like, who in crypto with as volatile



as it is, cares about 10% yield, the fact that we're able to go above and beyond that just returns and obviously got crazy in the summer, and all sorts of teams have come up with different games with crazy headline API's. But that was, I think, you know, now it seems obvious, again, in hindsight, but that that switch flipped, and for me, it was obvious that we weren't going to go back. And I think, at this point, regulation is one of the only things that's going to slow, defy down because it's just evolving at such a rapid clip. And there's so many smart engineers working on the problem space today.

Jake 16:40

Yeah, so there's a lot to chew on there. But I'm going to go further into the the regulatory piece, which you mentioned at the end there. The infrastructure bill recently has been all over the headlines, especially as it relates to crypto sort of a, you know, not an afterthought. But just a small piece of this huge bill did sort of a, you know, had an outsized impact, I would say on crypto as a whole. And there was sort of, you know, it came on somewhat suddenly, and there was a quick back and forth, but I think you were at least somewhat involved in if not paying, you know, great attention to, I'm curious to hear, I don't think there's many people who can sort of provide a better perspective right now on what's gone on over the last few weeks, and what it means for the crypto space at large. So we'd love to hear sort of your perspective on on what that did and what that meant. And the regulatory environment now and how you see it moving forward.

Ryan Selkis 17:36

I think glass half empty, there's going to be a lot more regulatory headwind, a lot sooner than many of us thought. And it's going to present some pretty significant challenges over the course the next couple of years. Last fall is I think everybody in the US crypto community in particular is pretty motivated and angry and activated to participate in and you know, I think the fight that that is to come. I think one thing that became obvious is how nascent and overmatched we are in DC just from a spending standpoint, it's not an indictment of any of the teams that have been working down there. They actually did a tremendous job and in you're getting some pretty major concessions and in compromise accomplishment with this infrastructure bill at the



last minute of course, you know, it was blocked by alone, obstinate, 87 year old Sanders retiring and not gonna have to live with the consequences. So, you know, kind of the American system of government in a nutshell, and it's worse. And, you know, that's arguably okay. If people stay motivated and angry. It's potentially very bad if folks just kind of ignore it and say, Oh, this will pass or, you know, they're, they're not going to be able to enforce any of this and, and we just route around the government and so on and so forth. So I think we're gonna see in pretty short order, which way that breaks, I certainly think that there's a pretty big appetite for a fight right now. in DC and and what I've seen, just personally over the last couple of weeks, is a pretty significant groundswell of support for anti government and anti kind of big brother and regulatory bureaucracies from both sides of the political spectrum, and this is something that I think surprised me because I'm sure that many people that are actually gainfully employed Floyd and working at companies within crypto, generally, it's wise to keep your political opinions to yourself. Because that, that that environment is so just emotionally charged. And, and people have very strong opinions. And you know, there's there's a reason you don't talk about, you know, religion or politics historically. And I think the the frustration from progressives within crypto from more conservative folks within crypto, it's been pretty across the board. And I think we've seen people that may not have recognized it at the time but but really don't have a political party and crypto. And the ether as it represents is probably the closest thing that they have to a political party. So I tweeted something to the extent that I'm pissed, and I'm now single issue of issue voter, and, you know, my new mission is to drive everybody that's anti crypto out of office. So you know, educate the willing, and, you know, evict the obstinate and, and uncurious. And, ultimately, the folks that are, are either corrupt, or, you know, in the pocket of big banks, or just, for whatever reason, are completely shut off to the idea that we should have an open financial system and a financial internet. I think that resonated with a lot of people. It took me by surprise that it resonated with so many people, and that as many people were as fired up as they are, because you're expecting in situations like that, to, to see some people sitting on the sidelines, saying, you know, take it easy, right, or, or, you know, hey, this isn't the end of the world. And I think that this is more in the



justifiable for alarm fire camp. And so I think the reaction has been appropriate, seems like people are awake, and now begins the laborious process of actually thinking about how to get regulation rights, and make sure that that, you know, crypto isn't stifle wall stone cradle.

Jake 22:11

Yeah, it's interesting, you talk about how, you know, of course, people don't really generally talk about politics or religion in the office, these are things that sort of people tie their identities to. So it's, you know, it's hard to have a reasonable or rational conversation in most instances, or at least a lot of instances. But I think crypto, sort of to your point on, it's not just like the left or the right is supporting crypto and the other ones bashing it. It's it's sort of a weird split that doesn't go across. It doesn't go between party lines, it's sort of you have people on both sides of the aisle with differing opinions and whatnot. And I think, you know, part of that might be just sort of speculating here. But there's a good number of people now who have at least a little bit, if not a lot of it of their, you know, financial well being sort of tied to the success of crypto here on forward. And, you know, they've sort of relied upon it in the past few years, or whatever it is more and more people buy beer, of course. And I think crypto is sort of, as you sort of hinted at, not directly but like, I think it's basically an identity tied issue. Like it's one of those few things that's sort of on the level of like religion, politics, etc, where people can get pretty irrational. And so you see, I mean, it's sort of a blessing and a curse. I think some of these early stage projects, even Bitcoin itself, in the early days, people who sort of believed in 2010 and 11, that Bitcoin would be what it is today, ever, let alone in 10 or 11 years, you would have thought was sort of delusional and crazy. But nonetheless, that sort of attitude, helped it, you know, help provide the support to get it off the ground and to bring it where it is today. Could you see and so of course, the same happened with with subsequent projects as well. And it's ongoing still today, we have very early projects where people sort of have an irrational belief, which may or may not turn out to actually be true in the end. Do you think that crypto, I guess, you know, we're still relatively early right. I think politicians in general, have probably viewed the space is too small to really be overly concerned with. And really just over



the last year or so, you know, it's now in the trillions interpreted in terms of its aggregate market cap. I think people are realizing politicians and people in power are realizing like, Okay, this is something we need to at least address in some ways or start taking money from for the purpose of infrastructure, I guess. So how do you think crypto as sort of a, you know, a party or religion or a category of its own will sort of grow alongside the industry, in terms of like democrats versus republicans or This nation versus that nation or this? You know, you get what I'm saying like when people start to step out of their current identity and just align with crypto sort of like you have being a single issue voter No.

Ryan Selkis 25:16

I don't think there's gonna be a crypto political party I think it's gonna be it's it's populism meets libertarianism, I guess is one way to look at it. I think your crypto started with a very strong libertarian contingent, that's small governments. And over the course, the last 10 years, people in the US kind of globally, but I think particularly in the US have gotten more and more fed up with large institutions, whether it's the government, whether it's the banks, whether it's big tech. And so you've had this concurrent your populist uprising, and those are probably the three core targets. libertarians have a tough time winning elections, because their vote for me slogan is vote for me, and I'm going to do less. Right. And so, you know, on the other hand, at some point, like the extreme doesn't work, because you know, governments just have not proven to be very effective stewards of capital. So you've got this like, populist impulse in this frustration with with big giant institutions, again, whether it's tech or finance, or, or, you know, the lobbying industry in DC, and you have people that just want to jack in other box, and crypto is maybe the first proactive way to play that thesis. And the way that I, that I think about it is, you know, if you want to, if you want to go short, like the US government, you can bet against the dollar, you can buy gold, but those are more like reactive and defensive. And, you know, gold bugs have, I think, justifiably said, Chicken Little reputation. And it's not very exciting to hoard gold and do nothing with it except for wait for the end of the world, right? With crypto, it's, it's a little bit more assertive, it's a things are not good. The reason that they're not good is because we've got these decaying



institutions at all levels of society. Why don't we build something better, without going to all these broken institutions for permission. So we're not going to go to the government to solve our financial services problems, we're certainly not going to go to the banks, we're not going to go to the tech monopolies. To solve our privacy issues, we're just going to build it ourselves. And in the process, if we're right, and we get the incentives, right, we're going to co-opt so many of the users of these systems because they're gonna have skin in the game, and they're going to have a financial stake if we are on the right track, and what we build actually works. And I think that's a pretty profound shift in incentive alignment, in being proactive and kind of building solutions versus just waiting for the end of the world. And I think, like that scratches an itch that a lot of people have, because if I think most people, especially younger folks look at politics, and they just see like irreparably broken system on both sides of the aisle. And all of a sudden, you have this movement that has amassed over \$2 trillion, and capitalists made a lot of people really wealthy. But more importantly, it's actually, you know, for a lot of, for all intents and purposes, I mean, it's been a big middle finger to the establishment. So I think some people want to bet on that just because it's a, it's a thumb in the eye of, of, you know, governments and big banks and big tech. And I think that's going to continue to gain steam, almost like a protest vote with your wallet. And by the way, if you're an American, and you can parlay your stimulus check, and it's and it's money that would otherwise go into your savings for paying off a bill, for instance. And you can just take that US dollar and put it right into your crypto as a vote of no confidence in the rest of the system. That's that's what I think a lot of people did last year. And we're starting to see the impact of that. All you need to do is look at the coin base numbers and a bunch of registered users. So I think that we're certainly at or near Crossing the Chasm in terms of adoption for political reasons and speculative packet of reasons, first and foremost, and then the other applications will, will come and arguably already are coming through, you know, payments applications using stable coins and decentralized lending and decentralized exchange and so on and so forth. Obviously, kind of the NFT boom, but that's a whole other ball of wax.

Jake 30:17



Right? Yeah. And I want to make one more or ask one more question as relates to the regulatory environment. You brought up rightly, I think how it's, you know, crypto as a whole is somewhat a middle finger to the government to institutions at large, which you mentioned earlier, just have lower and lower trust by the year from the people and arguably for for good reason. Given that that's the case, it would seem that it's only a matter of time and sort of size before the government says, okay, you know, these guys are sort of the enemy, and we need to do what we can to take them out or whatever, you know, politically correct version of that there may be, and yet that hasn't really happened. I mean, there's the infrastructure bill here, which is a little bit punitive. Maybe that's an understatement. But no one's thinking, Okay, bitcoins dead, or kryptos dead as a result of this. But I know some of the earliest guys in crypto have sort of been surprised 1011 years and 12 years in that there hasn't been more regulatory and government sort of harshness against crypto and efforts to sort of kill Bitcoin or kill the space as a whole. So that may or may not be forthcoming. And I guess the question is, if, if it is, I've seen, like, I remember, I saw a tweet from you the other day, that said something along the lines of like, Don't confuse the fact that and this is not verbatim, but it was something along the lines of like, Don't confuse the fact that crypto has survived and thrived this far, with the idea that it's unstoppable. Which, you know, for me reading that I'm saying, okay, so Ryan doesn't see Bitcoin or crypto at large is something that's blanket inevitable, but rather just something that's succeeded today and holds a lot of promise for the future. And that's sympathetic with sort of my view, but there are people out there who do view I think Bitcoin in particular, as something that's sort of past, you know, it's already crossed the chasm in their mind, and it's already become sort of this inevitable thing, and it's going to be the global reserve currency. How do you sort of balance those views? And I guess, where do you stand in between them?

Ryan Selkis 32:38

I think my exact tweet, something along the lines of crypto is inevitable, without government cooperation, or kind of regulatory engagement only in a very dystopian version of the future. So I think the folks that are saying gas kryptos inevitable, and, you know,



poured your Bitcoin and, you know, go live, go live in a Citadel or, you know, move to another country, or whatever the case may be. I mean, that's a pretty dark world. And look, we could be trending in that direction. But there's, there's better ways to be a part of building out this, this ecosystem and think about as more of like, a life raft and a gradual transition from a broken centralized system instead of institutions versus, you know, basically taking your toys and going home and hiding in the woods, and writing out a shorter, which, like I said, you know, we could be heading there. You know, there's, throughout history, there's been cycles, where you've had massive social unrest, and yeah, that's, that's an exam. There's been economic wars between rivals that's generally lead to actual wars, and, you know, with the economy is globally connected, as it is today. And all the tension between the US and China, not to mention the mess that we've made in the Middle East. But you know, there's, there's a lot of headwinds towards progress and like a peaceful next 20 years. But having said that, you know, do you want to try to start building some of the applications and the financial rails to slowly disempower the large institutions that are getting progressively more dangerous and progressive and more hostile with each other and with their own citizens. And I think if you take that view, then I certainly don't want to go hide out in the woods. I rather think about all the good that this tech could do, you know, address the fact that there's always going to be people to use any technology for bad But look at all the good that it can do. And then you're trying to figure out where some common sense solutions are for your regulation, you know, tax compliance and and do that in a way that's still preserving privacy, civil liberties. And every everything that a lot of folks that got into crypto got into the industry in the first place over. So a perfect example is with this infrastructure bill, don't regulate the developers of code don't regulate individuals that are staking to secure proof of stake systems don't regulate the Bitcoin miners is payment processors, but do regulate, you know, Coinbase and Gemini and and the other major financial services companies, the custodians, the exchanges, the payment processors that are moving money around and doing so on behalf of other customers. No one's arguing against that. And I think that's, that's the big challenge that I think we have ahead is just educating governments and regulators worldwide, because, you know, there's, the vast majority of representatives don't know how



this tech works. And then the ones that do know, are kind of split between believers in the technology and opportunists on kind of the pro side. And then believers, that this is dangerous technology, and opportunities on the con side. And so how, you know, that turf war plays out is anybody's guess. But I think last year, the last couple weeks was definitely a setback.

Jake 36:42

Yeah, so I think it's a, it's a great point that you bring up that, you know, there is a non dystopian way to look at things. And this, you know, in regards to crypto, and maybe it can be more of a gradual transition from sort of the the highly centralized world of government and, you know, central banks and the like, that we have today to something that's a bit more decentralized. And, frankly, something that that a lot of people especially, you know, those who are invested in and involved with crypto have sort of voiced their opinion in recent years that that they'd prefer, and I think just by, you know, extrapolating the trend of the distrust in institutions, a lot of people are just sort of, you know, ready for that. And, you know, it makes sense that the, the institutions themselves would be sort of the last ones to maybe appreciate that, and, and, you know, they're not just going to necessarily welcome it with open arms, but it would be smart, given sort of the power emerging on one side and existing on the other, to sort of work together as possible and sort of a more reasonable way. And this bill, I think, you know, maybe you could take hope from the back and forth that was there. And that it was, you know, there was amendments gone one way, and then the other and then ultimately, unfortunately, one one guy started sort of stood in the way, but at least there was some dialogue, which, you know, maybe it's encouraging, and just the, the firepower of the people, which you mentioned, was sort of an encouraging thing to see as well. I want to talk about, you know, you mentioned earlier, sort of being interested recently, especially thinking a lot about the decentralization of organizations, you know, on an individual level, we're talking about, like the gradual decentralization of the world, like the most macro level possible, but there's actually sort of, you know, individual organizations are going through right now figuring out what's the best way to start a company or protocol or crypto, and sort of, again, not just be decentralized from day one, but work towards a gradual



decentralization and giving different people the ability to vote, and, you know, innovative ways to govern an entity essentially. So we'd love to hear you know, that that's a relatively new concept that a lot of people you know, people know, Bitcoin maybe, and they know Ethereum, but they're not hearing of like dows, that are that are coming up, at least, you know, the crypto passionate people do, but sort of the common person may or may not be so familiar. So we'd love to hear sort of your overview of what's going on there and what you expect for the next few years

Ryan Selkis 39:16

to Dallas in general, or just the governance wrapper of decentralized communities and their assets. And you're seeing more and more infrastructure for for voting for signaling for you know, collaborating on kind of community discussion boards, and ultimately actually getting decisions, forming committees. How are treasuries unlocked? How are you know, services provided and ultimately, you know, monitored and how's performance measured by contributors to Dallas, and I think that's going to take many years to To fully bake, because right now we're at a stage where every single governance action, every single vote from a doubt is, at the end of the day, it's a proxy vote. And you that makes sense, if you're trying to make a board level decision, right, like should uniswap change its fee schedule? Should should the protocol collects, you know, five basis points and fees versus 25 basis points for the for the liquidity providers and financial companies that are making the markets. That that's reasonable. Like that seems like something that should require a pretty significant chunk of the the economic, economically interested actors in that ecosystem to actually vote on and vote the right way. But I think, where we haven't really seen a whole lot of infrastructure, there's a few projects that are working on this is how do you granularize decision making and spending across decentralized organizations, that's where things get really interesting, because if you think about the future of work, and you think about these dows, and communities as as marketplaces, Allah, Uber, or, you know, even like a Hollywood Talent Agency, or, you know, name name, your favorite, like, expert network, in more like consulting professions, if you, if you look at any of these as distributed companies, then the way that you ultimately pay, and incentivize individual contributors



is going to have the marketplace component, which would be the protocol, the service provider component, which is the individual is doing, you know, whatever piece of work is needed for the DAO. And then there's like the quality controller, the middle manager, so you could call that a curator, validator, reputation, score, whatever. Those are, where you're going to see, I think, a lot of governance innovation, it's, it's like the controllers and and the folks that are checking the work, and then signing off on transactions to make sure that, you know, money is well spent. And community resources are triage in a way that's, that's good for the collective, even if every single individual doesn't vote on every single outlay. So I think, you know, dows today don't really scale, there's a like a Dunbar number. That's probably even lower than Dunbar's actual number to the number of people that can coordinate you probably can't have more than, you know, a couple dozen individuals that are invested in a doll and and you know, come to any type of speedy resolution on on just like things like day to day operations, you're gonna ultimately need to see more committees or middle manager types, get created using some of these Gao infrastructure tools. So that it's, it's much easier to manage a decentralized organization over time, and you can minimize the transaction costs so that a Dao we're a decentralized marketplace can actually compete with a centralized version.

Jake 43:24

So have you seen yet any approaches to sort of solving this issue of scale when it comes to dows? where, you know, right now, it's difficult to find a dow that has meaningful power outside of like you said, like the Dunbar number or something well, shorter, the Dunbar number a couple dozen, have you seen any instance? Or at least you know, even just a white paper? That brings an intriguing idea for how to solve this sort of issue that you highlighted?

Ryan Selkis 43:50

Yeah, I mean, I've actually invested in a few of them, but not all of them are public. So I don't want to I don't want to scoop them or or accidentally skip their fundraisers. But yeah, I've been I've been very active just individually investing on on this particular front, the last the last couple of quarters.



Jake 44:09

Yeah, that's, that's interesting and appreciate the confidentiality. We'll look forward to hopefully hearing about those projects in the near future. Speaking of sort of investment, and what you're holding, I was reading through, you know, this deserves a separate, basically a whole separate episode. And, you know, people out encouraged to go read Ryan's crypto thesis for 2021. I loved your intro of what that is on another podcast. I was listening to you in preparation, your guy, I forget which podcast was on but the host asked you, you know why you go ahead and do this super long paper every year by yourself. And you were like, you know, you ever seen the sopranos where Tony, he gets out of the hospital or wherever and picks the toughest guy and calls him out for a fight. Just showing that you still got it and it's a it's a heck of a report. So certainly encourage people to go read that and even for I think for people who are beginners to experts, I would imagine anyone can take quite a bit of value from there. In the in the report, there's just one section that links back to everyone at Miss saris investment, at least ones that I think passed the threshold to 5%. And it's, it's a pretty interesting list. One of the more notable things to me was that you guys all seem to have sort of your, your different perspectives and projects that you're interested in, as you would expect the most common ones, I think, Ethereum was, you know, on everyone's and Bitcoin on on all but a few and there's like 15, or 16 names there. So I'm curious, if you've sort of engaged in discussions with these few analysts on the team? Or whoever they might be who, who don't have Bitcoin? Do Can you sort of introduce that perspective that they have, where they're not holding Bitcoin, which is a seemingly pretty contrarian thing to do for people into crypto these days, and, and why you believe, you know, holding Bitcoin is presumably still very much worthwhile.

Ryan Selkis 46:05

I, they're referring to this pretty frequently, last couple of months since I read it. But Arthur Hayes from bitmax, had a really excellent post, I can't remember the name of it, but he, he writes, every couple of weeks, I try to read most of what he writes. He made the comparison of Bitcoin to M zero, US dollars and aetherium to large cap like the mega cap tech stocks. And you know, at the end of the day, it's, you know, some something, it's either three or \$6 trillion each. But I



kind of view that as the most entertaining outcome for crypto, because long term, if Bitcoin and ether were parity with each other, and one was like a currency that happened to be that size, and then the other one was, you know, like, treated more like value more like a growth tech stock. That seems like a reasonable point for you know, those two assets to settle. And so that obviously implies that there's a lot of upside still ahead for aetherium, which I do believe in, but I don't think that there's any currency and crypto currency that has the cachet, the brand, the the hardness and kind of cycle, the cycle resilience, of Bitcoin. And I think anyone that that goes straight to aetherium, as the end all be all, yep, pretty much ignores that there are still a lot of major issues that have yet to be proven with aetherium. And that's not to say that Bitcoin doesn't have its issues like there's going to have to be some resolution to how does Bitcoin maintain its security model, once we get to a low inflation environment where, you know, settlement on the network needs to be driven and transaction processing. incentives are gonna be driven more by fees, and by senior edge. But on the other hand, aetherium has to go through the eath to migration and proof of stake migration, the US will ward off competitors and not leak value to other neuropil blockchains. And it has this really muddy narrative of being money, but also, you know, a commodity that you need for to pay for gas fees. And then it's used for staking. And so one contingent will say, Well, if there is a triple point asset, and that's why it's interesting. But on the other hand, because it's used for so many things, people don't necessarily think about it as money. They think about it as an asset to own but they don't think about it as money per se. So I think that there's room for both and and historically speaking, anytime that the cycle has gotten too bullish, Bitcoin ends up kind of roaring back in the other direction. It's more resilient during bear markets and then it's usually the first one to pop and, and rally during the beginning of bull markets. We saw that this past year as well.

Jake 49:26

Right, so last question here and then we'll wrap up appreciate all the time you spent thus far talking just you know exclusively about Bitcoin now. You know, I personally support like a lot of different crypto projects, and I don't necessarily totally understand like the, the, like an opinion that Bitcoin is gonna be the only crypto with



value and that's fine, but sort of the the progression from some, you know, a certain subset of Bitcoin maximalist i think is a little bit interesting. But, that said, you know, Bitcoin is Majority of the overall crypto market cap. And you know, it's been it's what introduced you to the space and everyone, you know, it created the space of course. And this year or the last two years, maybe thereabouts have been really interesting, I think in terms of just all the macro events that have gone on all the money printing institutional investors coming out and, you know, publicly saying that they're investing in Bitcoin, Paul Tudor Jones Druckenmiller, the like, you've got companies putting portions of their balance sheet in Bitcoin. Could you have envisioned back when you first sort of discovered Bitcoin? where we are today? And then, you know, even more recently, just like two, three years ago? Could you have imagined like a more perfect storm for Bitcoin and then maybe sort of as a fallout from that crypto as a whole?

Ryan Selkis 50:53

You know, it's a perfect storm and in some respects, but I think it people have woken up to some of these macro problems that early adopters of Bitcoin have been talking about for for many years now. That's good, that people are aware that there's an alternative. On the other hand, it does put a bull's eye on bitcoins, forehead, and by extension, everybody holds it, because now it's large enough, not only for Polish politicians and regulators and tax collectors to pay attention to. But it's, it's given how much money we're spending and the political environment that we're in, it tends to be something that people that, you know, politicians kind of get their grubby little fingers out, and they think, how can we tax this? And how can we use this to track value. Because they're, they're generally very good at being parasitic to anything that's productive, and they don't already have their hands on. So I think I would have preferred a bit more time in the, in the shadows, but I think the that was, we're gonna have to see some tests like COVID, to really figure out if the macro political thesis around the coin was, was sound, or if it was ultimately just going to fall by the wayside. And so far, you know, it obviously a very sharp correction during the liquidity crisis last year, in March, when when everything was was kind of first starting to get very serious with COVID. But then it bounced back and has been on a tear



basically ever since. And then, you know, of course, the only thing that did slow it down, you know, in the second quarter, aside from maybe a healthy corrections instead of gotten so hot so fast, was, I think some of the concern around its environmental friendliness, the fact that it was kind of shut out of China. And the irony is once hashing power moved outside of mainland China, Bitcoin got instantly cleaner and de risked. So I think that is that is the perfect storm going forward. And and I think a wave that we can still count on writing for for the next couple of years perhaps.

Jake 53:34

Awesome. Well, again, Ryan, I appreciate you taking the time today and getting your perspective on crypto there's a few if any better and like I said, I enjoyed your report and just following you on Twitter and the like, over the over the last couple of years. So where can people go who you know want to continue to follow you and what you're writing, I'm sorry, website or your Twitter where's the best place to follow?

Ryan Selkis 53:57

I'm at tube idiot on Twitter, and the company masari.io. We have a newsletter. We've got a bunch of free tools for folks and then a \$30 a month paid subscription product called pro that has 1000s of subscribers. You can also follow the masari research team by following the sorry crypto atmospheric crypto on Twitter. So my takes are turbidity and and the broader team's daily research is generally syndicated through the Massara handle and other individual animals.