



Jake 02:18

thank you for coming on. And joining me on the show today really appreciate you taking the time. You've got a super interesting story starting dropping out of school playing some poker for a while then got into tech, and then really went down the rabbit hole with crypto and now you're managing partner of dragonfly capital guys recently raised \$650 million for fun three, so congrats on that. Thank you who don't know you best place to get started just with your story. And as always, sort of the earlier we'll start and talking about some of the decisions you made along the way to get to where you are today. It would be great.

Haseeb Qureshi 02:52

Yeah, well, first, thanks for having me, Jake. My backstory. It's a somewhat circuitous one. So I as you mentioned, I got my start. Before I ever got into crypto or the tech industry, I used to be a professional poker player did that for five years from when I was 16 years old, until I turned 21. When I was 19, I was ranked one of the top 10 online no limit Hold'em players in the world made a lot of money, the young age made a lot of mistakes, I learned a lot. It was a strange way to grow up. Probably definitely not a traditional adolescence, when it comes to learning things. Often people try to, it's hard not to notice that there are a lot of folks who came up in poker, who end up finding their way into crypto. And I think it's for good reason. There's a lot of crossover between poker and crypto. One of them, I knew a lot of my buddies, who got into bitcoin very early, in large part because after 2011. So online poker went through this event called Black Friday, when the Department of Justice shut down a bunch of off C or offshore online poker sites. And as a result, there were a lot of poker sites that popped up that people wanted to play high stakes games with, but they couldn't settle in dollars, because you no longer really had access to the US dollar banking system, if you wanted to play online poker. So there were the sites that popped up that would settle in Bitcoin. And this is very, very early on, like 2012 2013, I think. And so I knew a lot of folks who got into bitcoin very early because of that, who had origins in the poker world. But there's a deeper connection, I think, between poker and crypto, which is that they're both they're both weird. They're both areas where if you are dedicating your life or career or the way you make money to



something that's kind of subversive kind of esoteric sort of cuts you off from a lot of normal people, at least back in the day. Crypto is a lot more normalized now. But, you know, back when I first got into it, and when a lot of folks who really were early came into it. It was a bunch of weirdos, and it was something that didn't seem respectable. It didn't seem like a traditionally impressive area. Yeah to be dedicating your career or your time to, but it's one that ends up paying off. And if you're not afraid of looking stupid or looking strange, you could have made a lot of money, getting into the space and becoming an expert at it. And so that's one thing. I think that is very common between poker and crypto. And then, of course, your attitude towards risk. I mean to crypto crypto has never been a sure thing. And there are a lot of people who sort of tried to claim that look, I do it along. And you know, I never had a doubt in my mind whether crypto was going to work. And, you know, i i At least I'm not one of those people. In the end, I don't believe most people who claim that they are built that way. Krypto has had a lot of tough moments, there have been a lot of dark nights of the soul in trying to make this a career and dedicating yourself to this. And luckily, it's paid off. And we've been very fortunate that we, in some sense, pick the right horse, but the attitude towards risk and would be willing to take big risks with your career betting on something that you believe in. It's something that you poker really taught me to do. I think I have a relationship and attitude towards taking risks that most people really struggle to have. So anyway, I got my start as a poker player eventually quit poker at 21. Went back to school. When I was in school at the time, I had no idea what I wanted to do. I wrote a book about my about what I learned as a poker player called the philosophy of poker. That book ended up being a bestseller The number one best seller on Amazon for poker for like almost half a year. I then gave away all the money I'd made as a poker player, left myself with \$10,000 and decided that I was going to reinvent myself and do something different with my life. I came out to Silicon Valley, learn how to code I went to a coding bootcamp, actually, because in school, I didn't study anything technical. I eventually got a job as a software engineer at Airbnb, where I was working on payments fraud. Ironically, I was actually working on the same team that Brian Armstrong, the CEO of Coinbase, was working on when he left to go



cofound quibus. I obviously I wasn't at the team at the same time as he was but actually worked on some of his code, or something. And

Jake 07:15

in that department, sorry, was that there's something in the water in that department?

Haseeb Qureshi 07:19

That is definitely true. That is definitely true. I mean, working in anti fraud really teaches you how to think adversarially, which is a core part of how to think about and understand and analyze crypto. And so it kind of it hit a lot of parts of my brain that I was already well suited for it and poker does the same thing and a poker, you're constantly thinking about what can my opponent have? How can they trick me? How could they break my strategy? And crypto forces you to think that way as well because of security. And, you know, adversarial game theoretic equilibria is part and parcel of what makes crypto crypto. And so it was while I was at Airbnb, that I really caught the crypto bug. And I became convinced that this stuff was going to change the world and that I wanted to be a part of it. And I wanted to dedicate my career to it. So this was early 2017. And is I then did some cybersecurity research. Meet a buddy of mine discovered a security vulnerability in a protocol called bancor. It's one of the very first defined protocols in Aetherium. I then went to a company called 21, which became.com Which got acquired by Coinbase. Then I started my own startup, working on a single coin. When I ended up getting recruited by navall, rava Conte to come on the investing side. So I got my start as a fund called metastable capital. And then a little while afterwards, I came on board to dragonfly, where I've been ever since. And as you mentioned, we've raised a few funds, we've done pretty well. We've been early and active investors into a bunch of core stuff in crypto, we were early investors into avalanche near protocol, compound maker Dow one inch by bit. Anchorage, dydx. Jim, all across the stack, we've made a bunch of early and now seemingly precious investments into crypto. And we're still we're still grinding, still doing your thing.

Jake 09:08



Yeah, that's great. And I appreciate the overview going back to when you were first, you know, you dropped out of school to pursue poker full time. I think there's something to be said for, you know, if you want sort of an extraordinary outcome, you have to start doing extraordinary things. And there might be something to be said for just doing things differently, whether it's even better or worse, just doing things differently from the start. And you mentioned like, you know, similarities between crypto and poker, both kind of weird, very untraditional way to sort of develop by going on the Poker Tour as opposed to you know, going through college and things like that. Did you feel like you got value out of just doing something different regardless of sort of the quality of that different thing?

Haseeb Qureshi 09:47

Very much so, although poker is you know, I often look at and with people who you know, started a start up when they were 18 or something like that because poker, poker teaches you Uh, there are some valuable skills that I think you get as a poker player, like your attitude towards risk your way to think about probabilities, you're just a general. Call it courage. I think that poker requires a view in order to be really good at it. But there are a lot of things about poker, that kind of suck. It's a very isolating profession. You know, there used to have a saying is that, you know, in poker poker is famously very high volatility, right? To make money lose money, you have ups and downs, you have all these swings. Obviously, trading crypto is like that, just owning Kryptos like that. But it's very, very emotionally challenging. And the one thing about it that's unique is that it's also a solo enterprise. So at least with crypto, it's like all your crypto buddies, your everybody who's with you on this journey, we're all feeling it together. And we're in the same boat. Whereas in poker, you go through an upswing, you go through a downswing, and it's only for you, nobody else is experiencing that thing with you. And most of the time, people don't care. So look, they have their own problems. They're not, they're not here to commiserate with you about your problems. And so there's an old saying in poker that the people who care, don't understand, and the people who understand don't care. And so, you know, the, your friends and family are like, Oh, my God, you lost, you know, \$50,000, It's so terrible. And it's like going on, it's not that big of a deal. Like, it's fine,



you know, that happens. And even you lose a lot of money. They're just horrified. They're mortified. It's like, look, that's not the response that I need. And the people who really get it the other poker players, they're mostly like, Look, don't tell me about your down swings, let me tell you about my like, it's like this kind of this kind of, you know, almost like emotional horse trading. And so that makes it very emotionally challenging. You don't have the sense of like being on a team that you do in most other enterprises. And so that's one thing, I think it develops a thick skin, it makes you learn to manage your own emotions, your own psychology. It's a really difficult rite of passage relative to almost anything else that that I've done in my life. And I think that that was one of the big lessons or gifts, I'd say that I got from my career as a poker player.

Jake 12:15

Yeah, it's interesting. You know, there's obviously there's like team sports and things you do as part of a team, whether it's building a company, or whatever it might be, obviously, a lot of people start companies with a co founder versus being a solo founder. But even in like a sport, like golf, like not a team sport, right, you're still on a tour, and people are mostly friendly, you can sort of commiserate with each other. I think there's a lot of sort of known benefits of like going through Big ups and downs as a part of a team or with a group sort of suffering sort of builds bonds and things like that. But having gone through those ups and downs on your own with poker, you sort of mentioned, like getting control over your emotions a little bit over time, was that or what were some of the key sort of, you know, tangible takeaways that that you think you got from having to endure sort of unimaginable, you know, ups and downs, just totally on your own. And not only that, but you know, you're 16 years old, you're 17 years old, not really, like you haven't really been dropped into the world yet, when you're sort of having to confront these things.

Haseeb Qureshi 13:13

That's right. I mean, there's, there's nothing quite like going to bed after losing half of your net worth. And just feeling like, like I I've had that experience that like 17 1819 years old, the multiple times, and this, this, just this sinking feeling in your gut that like, Oh, my God, I can't believe what I've just done. Like months of



my life, I've just been completely wiped out in a single night of bad decisions. And you, you just learn that it's going to be okay, and then I'll wake up tomorrow, and it's gonna suck. And then the day after that, I'll kind of get used to it after that, I won't even remember that this happened. And I'll just be in this new place, ready to move forward, and to go do the next thing. And so you learn just by collecting enough bruises really, that, that human beings are resilient, like we're built to be able to survive hardship. Because we were adapted to do that. I mean, if we didn't, then we wouldn't, we wouldn't have survived in our lineage. And so, you know, my, I guess the biggest takeaways for me is not even. Not even that poker made me stronger, or that poker made me more resilient. But poker made me realize how resilient I already am. And, you know, people often ask like, Okay, how do you become more emotionally resilient? How do you become emotionally stronger at weathering, volatility or, or hardships? And there is no like, there's no technique that poker teaches us like, Oh, if you do this, if you recite this mantra, if you you know, make these preparations, then then you won't feel bad. The answer is that you will feel bad. If you lose a lot of money if you make a bad decision, and if you mess things up, you're going to feel crappy about yourself. But what progress teaches us that yeah, this too will pass that you just have to bear through it, you have to understand that you have to feel your emotions and get past them. There is no choice to be able to suppress your emotions. That's not a thing. Nobody is. Nobody who who does challenging and difficult things gets through it by suppressing what they feel. They get through it by feeling what they feel, and then moving on. And that that, I think, was one of the big lessons for me that poker gave me at a relatively young age. And I think that's what I've noticed, after leaving poker, that I've been able to do much more effectively other people not even looking at investing is just the ability to realize that like, Hey, I should do x, and then doing it. And that follow through just like, Look, you look coldly or clearly irrationally at a situation, you decide what the best thing to do is, and then you do it. And what I found is that it's it's surprisingly, really hard for a lot of people to just do those simple steps, a lot of people can identify what the right thing to do is, I mean, if you can't identify the right thing to do, then that's a deeper problem. But if you can identify the right thing to do, a lot of people can't pull the trigger, they can't say,



okay, great, then I'm going to say goodbye to my friends and family and go move to this new country, or I'm going to quit my career and ghosts or this new one, or I'm going to, you know, blah, blah, blah, whatever that thing is that like, you look at the evidence, and you decide what the right thing to do is the follow through is really hard for people. And I think one thing that poker taught me is that trust your judgment, trust your analysis, if you think it's the right thing to do, just go and do it. And don't look back. That skill poker teaches you to do that over and over and over again, every hand of poker you play, you have to you have to rationally look at what is the right thing to do, you have to do it. And the step of just doing it is the hardest one, and it's what most people fail at. And that is, to be honest, what I credit, a lot of my career success to, because, you know, when coming into investing or coming into crypto, you know, I didn't come in with a tremendous amount of advantages, right? Or even coming to the tech industry. I think, like, I didn't study anything technical. I had this weird ass background as a professional poker player. I, you know, I came to it at relatively late age, because I spent so much time dicking around as a poker player. You know, I graduated, I think, seven years. And then before I finally graduated from college, I went to a state school studied liberal arts, I studied English and Philosophy in school. And so everything that I have done since then, has been a progress has been, has been attributable to me just figuring out the right thing to do and doing it. You know, it's not because I have some tremendous advantage or that I have connections that I have anything else like that, just that I figured out the right thing to do. And I did it over and over and over again. And that's, you know, I don't know, it sounds trite. But that is really the way that I see the path to success.

Jake 18:00

Yeah, no, I think the the emphasis on the doing it once you figured it out is super important. And like you said, like, it's sort of surprising. I mean, I'm, you know, I'm not perfect in this dimension, by any means, far from it. But I think there's, it is just surprising to see like, it's actually not that hard to figure out what's like, basically, right, you know, like, in when it comes to like health, for example, right, like exercise, like, Don't overeat, buy a ton, like, don't smoke, there's a few things that are just like, obviously,



they're more or less like, obviously correct, and you don't really need to like spend a ton of time figuring out like, the delta between like eating, you know, white rice, or brown rice or whatever, like, you don't have to figure out you know, deep deep like 99th percentile smartest person on like what to eat, you just need to like, do the 80% thing that sort of gets you there. And a lot of people just don't do it. And I think trying to like, you know, the excuse that you need to figure out a little bit of a better plan, like incrementally better thing to do just sort of helped holds a lot of people back from just doing the thing that they just know is right. And you just sort of put that off forever. When you were you know, first of all, there's an excellent podcast out there. So we want to dig into it too far. But you spoke with someone, someone with relatively few podcasts, I forget who it was, and I forget the name. But if you search for Steve's name and risk, I think it should come up and you guys talked a lot about risk and how you view you know, like, sort of expanding more on this point that we've talked about how poker built your risk tolerance and how people need to take more risk and, and things like that. But I'm curious, one thing that wasn't sort of discussed is, is there anything that you do now that is sort of stuck with you as like a practical, you know, an actual practice that people can sort of take and copy in terms of either a, you know, like imagining the worst case scenario like Tim Ferriss has a pretty good thing on this where he sort of forecast what's the worst thing that could actually happen and it tends to be sort of and then you know, how can I mitigate that etc. And it tends to be a lot got less bad than sort of, you're just like, very ambiguous imagination of like, oh, everything will be terrible and like there's no coming back from this. And then secondarily to that, just things that you might do to like, increase the small risks that you take day in and day out and just make sure that you sort of keep exercising that risk and willingness to fail sort of muscle.

Haseeb Qureshi 20:23

So that's a good question. And I think I have spoken at some point before, I don't remember when, but I have something simple point for about the idea of looking at the downside. And almost always, the downside is less than most people think it is, especially for, certainly for the kind of folks who are listening to a podcast like this, chances are your your downside, unless your internet, you're



like insider trading, or something that you're maybe there's a big downside, that's worth mitigating. But for most things in life, it's actually really easy to come back from things that you would think would be very difficult to recover from, or that you're gonna make a career switch, or you go, you know, make a bet on some new industry, and it doesn't work out, it's okay, you can just go back to the thing you've done before, like, it's not a big deal. You waste you lost, maybe, you know, half a year's worth of wages, or something like that, which you can absolutely recover from, but just to, you know, spend less this year. So the other thing that people tend to underestimate is their ability to habituate. So I think a lot of people really believe that. I mean, maybe not intellectually, but they sort of believe it intuitively, that once they get used to a certain thing, that they can't knock it up, use it anymore. And you know, one thing that was the one thing when this was most ironclad thing that we know about human beings is they habituate crazy fast. Meaning that when you enter into a new environment, or your circumstances change, you get used to that new level, very quickly. And it just becomes, you know, just blends into the background, he's not even noticing it. And I think that if you understand that about human behavior and about yourself, it becomes a lot easier to take risks that are that may result in a material change in your day to day life, because of the fact that you know, with some confidence that if you make a big change, you'll probably just get used to it. And within like a couple of weeks, it's not going to be this like catastrophic every single day, you're going to feel the fact that you live in a smaller house, or you're, you know, eating less fancy food, or bla bla added all this stuff that people are once they have, they're terrified to lose. And I think that's one of the biggest things that holds people back is that when you are looking at the risks, like yeah, there's a risk that like, you might lose money, or you might make less money, or you might be less assured that you get X, Y and Z. But so if you think back to the times in your life, when things really did go south, and shit really did hit the fan. Most the time, like you were fine, you adapt it, you dealt with it, you you were okay. And having confidence in your ability to habituate to different circumstances, is I think one of the biggest things that gives you the license to take more risks in your life, that are going to end up paying off in the long run. The other thing I'd say is that, you know, if you are in the practice of



taking risks, I mean, step one for most people is like just take more risks, and take more intelligent risks. When I say take more risks, I don't mean like, you know, go play roulette, or just, you know, go bet your life's worth on individual names in the stock market. I mean, more like, take risks with your work with your life with your energy with your attention. And, and, you know, take risks within your relationships, you know, establish new boundaries, build new friendships with people who you didn't think that you could make friends with. And in reality, like you said, the downside is usually very limited Riley, you'll reach out to some very impressive person that you are tangentially connected to, and the most likely risk is that they just don't respond to email or they don't respond to your message. And it's like, okay, well, who cares? What what materially changed in the world, nothing. That that paralysis is the first thing that most people can't get over. But then the second level, once you are somebody who can who is actually willing and capable of taking risks on a regular basis, then I think that the next level that most people don't do well enough, is once you are attuned to taking risks, most people are not sufficiently patient. And that is one thing that I learned actually love from Deval is, you know, if you are looking for your next opportunity, you're looking for your next big thing, or the next thing to take a leap on. Most people are too anxious to really sit down and wait for the right opportunity. They will say like shit, I gotta do something like I want to like pick my thing, or I want to like whatever. And they'll say, Okay, this is the first thing that passes my bar. So I'm gonna go do it. Instead of saying, like, look, if I just wait like three months, or whatever, you know, some period of time. And I don't just pick the first thing that passes my bar, but instead, I wait. And I see what is the best thing that comes across my table. With the next three months, there's a really good chance that the best thing you see over those three months is much better than the first thing you'll see. To the passenger bar. And that general principle of just being patient, and allowing yourself to see the nature of opportunities that come your way, is one of the biggest things that really successful people do much better than people who are moderately successful. So that's the sort of second level of risk taking that I would say, is worth honing. And is it just a general insight as opposed to technique to keep in mind?



Jake 25:25

Yeah, I think that's really valuable advice. I've certainly benefited from something along those lines myself, you know, being out of a job for a while, and then just waiting and waiting and waiting. And every month actually, I would sort of check in with myself because I didn't want to think about it all the time. But I'd check it on myself and be like, should I start looking for a job now like more actively, rather than, you know, opportunistically sort of seeing what happens? And every month? I was like, no, no, no. And then, you know, after a certain amount of time passed, I looked at this, this sort of reminder that asked me to see if I wanted to look for a job. And I had one because something had come in that was just like, so obvious that I just had to do it. And it took several months, actually, over a year sort of waiting to see that thing come in. And I think it's just super valuable. So highly, you know, endorsed, endorsed that point of view. Exactly. You talked about, you know, when you quit poker, you didn't just quit poker, and try to do the next thing, you actually really hit the reset button and gave all of your money away, you know, save maybe \$10,000. I'm curious about that decision, how you decided to make it obviously, that's like a pretty tough decision and an unpopular decision to make. On the one hand, it sort of takes away your safety net, which I think I read something a long time ago, I don't even know if you know where it's from, or how true it is, or whatever. But it proclaimed that like acrobats actually fall significantly less when there's no safety net, sort of knowing that it's there is like I say, Yeah, you know what I mean? So it's, I think you sort of did some form of that. And there's also sort of like, you know, you probably didn't have much of a money motivation at that point. And money is just a very natural motivator, even if you're not a money oriented person is just like you needed some amount of money to do the things you want to do. And so you sort of reignited that motivator, I think, but I'm curious, what was behind that, and, and how you look back on it now?

Haseeb Qureshi 27:18

It's a great question. And I think it's maybe hard to say hard to square with the fact that like, the things that I've been doing in my life, obviously, are very deeply connected to money. So I was a professional poker player, which literally, you know, you're playing a game with money. I'm now an investor, which is, you know, I'm



investing money, like almost everything that I do is about money in some sense. But there might be hard to square with the claim that actually, I'm not very motivated by money. I live pretty simply, I don't spend a lot I don't, you know, have fancy watches or cars or anything like that. And I've never wanted that. And I think actually, at a young age, I learned very viscerally that the disconnect between money and happiness. And not only do I notice it in myself, is that okay, I made money at a young age, and didn't make me happy. And but outside of the people around me, as a lot of young poker players make a lot of money very quickly. And I could see very clearly that they were also not happy. And you learn that money is a tool. Money is a tool that gives you some things and can't give you others. And so when I when I walked away from poker and gave away eventually the money that I made as a poker player, a lot of the motivation for that was one that I didn't want to be somebody who, you know, I had this vision of myself, of me being in like an office somewhere on jamming a stapler. And imagining like, Man, I used to play high stakes poker a long time, you know, like, having this sense in which what I was, what I could accomplish my life was eclipsed by this, this, this, the the progress that I made, and the success that it had at a very young age. I knew that that would, that would stop me that it made me less capable of doing what I wanted to do with my life, if that's how I felt. And to your point, you know, it's also it's also very much the acrobatics thing, is that I knew that if I wanted to really force myself to become successful, and to reinvent myself, and to do something with my life that I can be proud of that I was going to need to need it. Not just wanted, not just in the abstract. Oh, wouldn't it be great if I blah, blah, blah. It's like I needed to know that I had no other option. And in that, that's what drove me and it was one of the best decisions I've made in my life. And, you know, when I came out to Silicon Valley, and got into the tech industry, part of what motivated me You know, I I went through a long time and tried to figure out what exactly I wanted to do with my life. And I was very unsure for many years. And one of the things that motivated me was I came across a movement called Effective Altruism, and Effective Altruism. It's a kind of panoply of ideas, and but one of the core takeaways is one of the strategies to having maximal impact in the world is what's called earning to give. And it's actually something that Sam bank would freed from FTX has now become sort of mildly



famous in his own way, also subscribes to, and it's the idea of, if you want to have maximal impact on the world, one of the best ways to do it when not not the only way, but one of the best ways to do it, is to make a lot of money, and then donate that money to high impact charities. And the idea is that by doing that, you can actually have more impact, and you kill yourself. So if I were to go, let's say you've ever worked for the Peace Corps, you know, I could, I could, I could potentially do that. I don't know, that'd be amazing editor, I could do it. And I would have some amount of impact. But if I go instead, go into a high income earning career, and then take the money I make and donate it to fund you know, five people to go work in the Peace Corps, I can actually have more impact than I could myself. And that idea really resonate with me, because at the time, I wasn't planning to go into something that earn a lot of money. But this idea just totally made sense. To me. I was like, Yes, that's right. Okay, great. How do I do that? What's the, you know, to my earlier point, like, Okay, I agree with this argument, I think this is a way that I can really have an impact. You know, the money that I made as a poker player, had very little meaning to me, back when I was a poker player, because you know, when when you're playing poker, money is just chips, right? It's like the it's like the points in the game. It's how you win till you lose. It's how you get to play the next game, which is, you know, playing higher stakes and play with better players. But the money itself, I was like, Look, I, I'm not motivated by this. I don't care intrinsically about the money. And it's just like a nest egg, right? It's like a, it's a reason to sit around and not do anything, because I don't have to. And it was it was when I came upon the notion of earning to give that I realized that, look, I think I can be good at this. I think that if you put me into a situation where I have to use my wits and my abilities to succeed in some competitive endeavor, and make money. It's probably one of the few things in the world that I'm really good at. And can I do it again, in a totally new field, I thought so. And that's what ended up bringing me out to come to Silicon Valley and take down the path that I have. And so since since that time, since I started in Silicon Valley, which is seven years ago, every year, I've donated a third of my pre-taxing come to to high impact charities. And I hope to continue doing that, over the course of my life. It's a large part of what gives me motivation to keep to keep doing this and to keep grinding and keep working hard. But it's



also the one thing that I think also keeps me grounded, that what I'm doing is not bullshit. It's very easy to feel that in a lot of endeavors in life, especially when it comes to making money. But also when it comes to crypto or technology, generally, you look around and see the state of the world and you're like, Man, why am I doing this? Like what is the point of this all? And there are a lot of stories that you have to tell yourself about why you're doing what you're doing. And sometimes you buy those stories wholeheartedly. And other times you lose confidence. And say like, Is it really true? Is it really making the world better? Is it really, you know, the future of finance or the future of the human race? You know, good days, I I swallow it wholeheartedly on bad days. I'm like, Shit, I don't know. But it's the one thing that I know, I'm doing that I'm having an impact with the world. And that is for me a lot of my Northstar when it comes to what keeps me motivated and driven to continue trying to operate at the highest level.

Jake 33:55

Yeah, I think obviously, that's, that's a great thing that you're doing. And, you know, people, I've had a bunch of people on the podcast who are sort of in and around this effective altruists movement. And I think that it just seems like there's I don't know if it's because there's sort of overlap with crypto or something. But it seems like that crowd is becoming more prevalent. And there's more people who sort of believe in it and advocate for it that are gaining influence. I think I'm sort of optimistic about you know, to your point, not everyone needs to go and work for a nonprofit to make a difference in the world and maybe with with more focus and more resources on this Effective Altruism movement, may be able to, you know, people with money may be able to spend it in ways that are more effective on actually doing good in the world. I'd be remiss if you know, we went this whole conversation without touching on crypto we have so far but agree on on dragonfly in particular. Again, just you know, you guys just raised \$650 million fund that'll enable you to do quite a bit more than you've done to date even it was you know, 100 million off the bat and 225 I think for your second fund are no small numbers. But now you can just, you know, escalate that up, even up a notch. I'm curious, you know, one, one thing that stood up from for me from your website, and just reading up a bit on you and everything



was, first of all, the website translates to Chinese and like the bottom right corner, and on the homepage, it says global from day one. So there's clearly like this, you know, there's nothing else on the homepage, really. So you guys are like, you know, it could be like decentralization is, is, you know, the point or like, you could have anything on there and you have like, global and you translate Chinese. Maybe I'm reading too much into things. But you also studied modern Chinese history, I think and learn Mandarin a little bit. I'm curious, like, if you could just sort of elaborate on this international focus, and if there's a China specific element there, but just what's behind all of this global focus?

Haseeb Qureshi 35:52

Yeah, so I mean, to be clear, I am definitely not an expert in Mandarin. My Mandarin is pretty crappy. But it's, you know, good enough for somebody who's not, you know, I'm good enough to be cute at the dinner table, let's say. So, our fund, in the early days in the very beginning of the fund, back when crypto was kosher in China, China was a big focus of ours, we've actually been early investor in four of the five unicorns that have come out of Asia in crypto. So we were seed investors and Amber seed investors in which I think they just raised 3 billion seed investors and matrix board which raised over a billion seed investors in Babel, which raised 2 billion, we'd love to see resave bybit. We just want the largest exchanges in the world today. So we've been very early investors in a lot of the important platforms that have come out of Asia, in crypto. But of course, you know, I'm here in the US. And a lot of our team is based in the US. And so they're they are kind of the two centers of gravity of crypto is Asia and the US. Now, since last year, when China enacted the crypto ban, a lot of that activity is migrated out of mainland China into Singapore. But it's a it's no longer kosher in mainland China. And so we are setting up a home base there, you know, I was in Singapore a couple months ago. And I spent a lot of my time there. And a lot of our team spends our time there. So our view, broadly speaking, is that crypto is a global phenomenon. The whole point of crypto is that it's borderless, permissionless, decentralized, blah, blah, blah. But if you if you look at crypto Twitter, and you spend most of your time trying to imbibe what the Anglophone community thinks about crypto, you get this impression that it's really about



the US or it's about America, or it's about whatever, of course, you know, in America is a huge part of the market. But it's not the only part of the market. Crypto is a global phenomenon from buy buy from inception. And to ignore what's happening in Asia, which by most definitions is actually the largest market for crypto. Asia is more trading volume than the US. At most of the largest exchange in the world, or in Asia, they're not in the US. You know, most of the enterprise value is in Asia and out of the US even mostly users. If you look at whether you look at exchange users or owners of crypto, or whether you look at, you know, web three users actually, if you look at Metamask Metamask users, which is largest web three wallet, the US is number three by country in terms of Metamask users, it's not even, it's an inconsistent one. And so that, what that tells you is that crypto has always been global. But there are very few firms that actually are able to cover the full picture, they can actually really see the full elephant of what crypto actually is on a global scale. And that's what we tried to do. So we partnered with the best entrepreneurs both in the east and the west, let's say everybody in the team is global, everything travels, we're also pretty technical in our DNA. So you know, I'm a technologist by background. More than half our team is technical. And I think that puts us in a pretty unique position within crypto to try to cover what crypto is doing on a global scale. And it's core to our DNA. And we tend to keep doing it as long as we can.

Jake 39:01

Yeah, it's great. And I know like sort of the funds or the funds team at large, but you know, led by yourself and the other Managing Partner, it's you guys have been able to sort of develop some pretty interesting perspectives and ones that from my view, sort of go against the grain or at least sort of novel in their presentation. So one you did recently was the blockchains of cities will sort of skipped over that here, because we're running up on time. And you did a great segment on Bankwest. About that I'd encourage people to go listen to another one, though, was on decentralization and why you thought you know, decentralization was not the end all be all. You know, it was critical for Bitcoin success, but it's not necessarily critical for your crypto startup in XYZ space. Could you talk a little bit more about that? And then if you do get to the point where you



talk about sort of the S curve of it, I'm curious if there's sort of another level where, you know, Bitcoin, I think, I'm not sure if you would argue but I think there's certainly some people who would argue that it's it's still not 100%, right? Like it could be attacked by a sufficiently large force, like a government or a three letter agency or something like that. Is there another level of the S curve that can be attained? Which sort of surpasses that? That's one question I have on it. But I would appreciate your sort of overall download on your thoughts on decentralization and why it's maybe not as important for some projects as people think.

Haseeb Qureshi 40:24

Yeah, so decentralization is kind of, we now see it in crypto as being this primary virtue. You know, it's it's like it's almost attained a religious quality within crypto discourse and crypto culture. And anytime that something becomes borderline religious, it's you started having to be very, very careful about what gets smuggled into the concept, and where the concept is actually useful. And where it's now being critical Colton. And my view broadly is that decentralization as a concept has gotten so untethered from its core usefulness, that it's it's imperative that you kind of take a step back and really try to think from first principles. Why is decentralization important? Let's not just blindly assume that decentralization is important for its own sake, because I don't believe that's true. Decentralization is not a it's not a direct goal. It's an indirect goal, meaning that the reason why we care about decentralization is it gives us other things that we actually care about. Right? So another way of saying that is why is Bitcoin decentralized? Bitcoin is not decentralized, because decentralization is this great thing. It's what it means to be virtuous is to be decentralized, and therefore, Bitcoin is the most virtuous. And it's not really that's not why Satoshi may become decentralized. Nobody gave a shit about decentralization, before Satoshi decided the way to make Bitcoin work was to make it decentralized. Now, what do we mean by make it work? We mean is that the two properties that Bitcoin needs to be decentralized for is first censorship, resistance, and then to the censorship resistance, meaning that nobody could take down Bitcoin and nobody could stop somebody from being able to use the Bitcoin network, right. And then second, is legitimacy, which is that when something is decentralized, it makes



people feel that this thing is reliable. And it's legitimate, meaning that it's not going to change in a way that is inimical to its overall goals. It's sort of very likely to be robust and stick around and kind of do the same thing. And people view the code, the infrastructure, the principles that behind this thing as being fairly arrived at. That's what decentralization does. That's why it's important. So the question is, when you're starting a startup, whether you're doing some random NFT project, you say, like, Oh, your thing is not decentralized enough, or I should be more decentralized. I'm gonna do all this work for decentralized. What is the decentralization giving you? What is the actual end thing that you care about? That you're getting out of decentralization? And the answer oftentimes, is I don't really know the answer, such as, like, I want people on Twitter stop yelling at me. And that's why I'm going to make this thing more decentralized. But in reality, your biggest problem is probably not censorship, resistance. Nor is it, you know, some some notion of legitimacy. Very often, people are just making these decentralized for its own sake, because they think that this somehow makes things more virtuous. And now, I give this notion of what I call the decentralization Esker, which is this idea that decentralization is also not linear, meaning that more decentralization does not always lead to the same outcome. Right? There's some there's some degree of marginal analysis you need to do to say, at the margin, if we make this thing slightly more decentralized, how much more value do we get out of that? And the answer actually changes based on where you are on the decentralization curve. So if you are, you know, if we think about decentralization, in terms of how it gives you censorship resistance, then let's say that you are, you know, let's say, let's say your new little one, okay? And your validator set is extremely centralized. It's like all your friends and service providers who you your investors, rather than they're the ones running off the notes. So you might say, Okay, this thing doesn't look very decentralized, meaning that if you know, if the core team said, Hey, guys, let's like turn off the blockchain today, everyone would turn off the blockchain. But if you start decentralizing the validator set, then very quickly as you start decentralizing and bringing in third parties who are not connected to everybody else, that very likely is going to increase the censorship resistance very drastically. Right? So just adding five independent parties to your validator set really significantly increases the



ability for the core team to just say, Hey, guys, we're totally changing everything. Now. Today. There will be more likely to be revolt. There'll be people who would stand up and say, no, no, no, I'm not supporting that new change. That makes a big impact. However, as you start, you decentralized validators that you decentralize the, the code base, you'd like to create a process or under a law, you do all the stuff that makes it so that they're multiple clients, there's multiple teams, there's blah, blah, blah. Now, you sort of saying, like, well, even after we've done that, still, like there's, you know, the mining pools are like, kind of, you know, there's, there's, you know, there's like only one, block explore, and like, that's not decentralized, and there's only one there's, there's only one that and you start going down the list of things that you are going to complain about, about not being decentralized enough. And as you quote, unquote, decentralize more of those things, you just get less bang for the buck, right? Like, actually, it wasn't the case that now the core team could just unilaterally change things and influence these influence of blockchain. But to your point you made earlier if a nation state or an extremely well capitalized attacker decided like, hey, I want to shut this thing down, they can still do it. Right. So even if you add the second block explorer, it doesn't change anything mean that still the team can't do anything, and the nation state can still break you. And so there's a there's a diminishing returns past a certain point of decentralization, where you stop getting very much bang for the buck. And when you're thinking about what is actually the biggest problem that this blockchain needs to resolve. Oftentimes, the answer is not decentralization. And it's an obvious point, but it's one that I thought wasn't made very articulately, by most people in the crypto community. And so that's why I wrote a piece kind of describing this argument in detail.

Jake 46:28

So then, on that point, with the S curve that I sort of hinted at earlier, is there another level where you think that it would probably be Bitcoin or possibly Aetherium. But another level that can be attained in terms of decentralization and probably the overall value that that it would not be attackable anymore? Not feasibly at least?

Haseeb Qureshi 46:46



So I suspect that actually not I actually suspect that it would not be Bitcoin, but rather Aetherium that would be most robust against a nation state level attack, although it depends on how you're imagining this kind of attack. Right? So let's say that, let's say that a nation state wanted to take down Bitcoin, well, they should cease have the resources to be able to 51% attack a network, the size of Bitcoin. So I mean, to be clear, I can find no conceivable reason or circumstances in which they would want to do that. But let's say that they did. In principle, it'd be doable, right, you could acquire enough of the stake or you could bribe enough people or whatever was said about the stake, but the mining machines in order to make this happen, and certainly as the block reward gets smaller, and as the Bitcoin happenings take place, which means that there's just gonna be less hardware pointed at the same hash rate, that it'll be easier over time to crowd out the liquid hash rate, and to do Episode Attack the network. Now, you know, what's the motivation to doing that? I don't know, unclear you like short Bitcoin, and you make a little bit of money maybe. So I don't think that is super compelling. Now, for Aetherium. In proof of Stake Land, it's actually much easier to fight off an attacker, because of the fact that if somebody is attacking a proof of stake network, they're attacking it with money that exists inside your network. And so if everyone agrees, like, hey, we just saw that, like, you know, North Korea, or you know, some other, you know, rogue actor is trying to break our network, well, we can identify their stake, we can see their addresses on China, we just go for can delete it, you can do basically what we did in the dalfour. Except do so in a punitive way, against the bad actor. And that is something you can't do with proof of work, right, you can't go delete other people's hardware. But you can do it in proof of Stake Land because the quote unquote, hardware is stable. So that is one defense that Aetherium has at least in a proof of stake transition that bitcoin does not have. However, the the flip side of that, of course, that Aetherium is more centralized, and that there's a more muscular team that's involved, right. So like, if a nation state wanted to go after the core team, it would be in principle easier to do that, right? I mean, there's no single person that if you went after Bitcoin, could really materially have an impact on the value of Bitcoin. But of course, there is a at least one single person for Aetherium, for whom that would be true, which would be metallic. So that is a very real sense in which theory



doesn't have today the same threshold of decentralization or resistance to nation state level of tax at as Bitcoin, but I think eventually, there's a good chance that it can get there.

Jake 49:25

That's very interesting. It's not a perspective I've heard before, but I've always, you know, encrypted, I think it's just largely assumed that, you know, Bitcoin, a theory on these things are just, you know, basically risk proof. But there is some small risk there that you know, whether or not you think it's going to come to fruition, it's sort of worth acknowledging in some cases, and I hadn't heard the argument that Aetherium actually may be lower for the reasons you just illustrate. I think that's interesting. But I know we're coming up on time. So I want to thank you for coming on. And it was awesome. You know, reading everything that you've written and listen to you on other podcasts. I highly recommend people Go and and check them out but awesome now being able to talk with you after all that and I really liked your perspective on crypto and life at large so it's been great where can people go and you know follow your story and dragonfly and and everything you're doing here forward.

Haseeb Qureshi 50:15

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