

## Introduction Jordan Fried:

*Jordan Fried is a blockchain evangelist and crypto-capitalist. He's currently the Chairman and CEO of Immutable Holdings, "The Blockchain Holding Company." He owns and operates NFT.com, 1800Bitcoin.com, Immutable Asset Management, CBDC.com, HBAR.com, and more. Previously Jordan was part of the founding team behind Hedera Hashgraph (Hedera.com). He served as Senior Vice President of Business Development at Hedera from inception in 2017 until the end of 2020, signing partnerships with Google, IBM, Boeing, and LG Electronics while also launching \$HBAR into one of the top 100 cryptocurrencies in the world. Jordan also co-founded and served as CEO of Buffered VPN, one of the most trusted personal VPN services online until it was acquired in the first quarter of 2017. In 2012 Jordan discovered Bitcoin and never turned back. Today he is an angel investor in companies like Buffer.com, Clearview.ai, Hive.org, and other early-stage startups. He has been featured in Wired Magazine, Entrepreneur Magazine, Inc. Magazine, Time.com, and Success.com. He frequently speaks at events around the world about entrepreneurship, blockchain, NFTs, decentralization, and the future of money.*

[Interviewer] What we wanted to do was we wanted to have a conversation with you today about like this wild, crazy thing called blockchain, called NFTs (non-fungible tokens), the Metaverse, and crypto.

## On discovering digital currency:

It [was] serendipity for how I found blockchain and crypto-currency. I'm a humble boy from Buffalo, New York. Go Bills! And I grew up in a big family man. I'm one of 10 kids, three brothers, six sisters, big family. And like every boy from Buffalo, my dream—I hope I don't offend anyone—was to get the f\* out of Buffalo. Can I swear? Sorry for swearing.

It wasn't called entrepreneurship. It was starting these ventures to make enough money to pay for an extra pair of shoes or to buy new clothes. So I wasn't wearing hand me downs and from a great middle class family. **But I wanted more.** I think I think a lot of people here want more, right? That's what 10x is all about.

So I had the great fortune of growing up with a really technical Dad, an absolute nerd of a father. But a cool nerd with an air hockey table in the basement. We never used it for air hockey. We built motherboards. And eventually, we built full

blown computers and I then learned how to build computer applications. And I learned how to develop full blown web applications. That was my way out of Buffalo. I always was hacking together something else.

### **On being a young entrepreneur:**

**My first foray to true entrepreneurship was when I was 12 years old.** That year was like 2000? The big game online that everyone was playing was called Runescape. It was a massive multiplayer. It's an MMO RPG which means a massive multiplayer online role-playing game where the other people in the game are real other people. You can talk to them, you could go one on one them in the wilderness and fight them. And the game had a currency. The currency was called Runescape Gold Points. And this is a decade before Bitcoin okay. And my idea was that people are so addicted to this game that maybe they'll pay real money for this thing. So I bought a little domain name, took my dad's credit card, runemint.com. And we launched what later became the largest secondary market around Runescape Gold Points. We put a little ad up. My brother would make like 6 million Runescape Gold Points in a day. And we would charge \$20 for a million Runescape GP. We came home sold out. In fact, it was worse than sold out. We sold out way more than we had. So now we took out ads on this website called rune HQ. To make a long story short, we were buying for 10, selling for 20 to 30, and things just took off. I mean, I had grand plans. I was going to retire my parents put all my brothers and sisters to college. It was, you know it was this is living the dream right? I'm 12 years old and I'm going to take care of the whole family.

Come home from school. You know, my mom opens the door and she's sobbing. And my mind immediately goes "Holy Shit, My dad just died. Oh my god." I know like I was freaking out like: where's dad? Is everyone okay? Like what's going on? Later. I see my dad, sit down, and they give me this paper that I've been served while I was in middle school by Jagex Limited, the multibillion dollar company behind the game Runescape. They were suing me for violating their intellectual property. It's the only time I've ever been in trouble with the law. And my mom's crying and she's like "What have you been doing?" I'm like, I've been making all this money. I show her my PayPal account. We made 10s of 1000s of dollars. I'm 12 years old. I've got \$35,000 in PayPal. I've \$35,000 in the checking account and only my

parents have access to but I knew the check number so I was able to get the deposits there. Call a lawyer. They're like, "Yeah, you're f\*cked."

Yeah. We shut this down right now. It was heartbreaking. So now I'm out of business like just a couple months after starting it. And you know, I share that story because what was unique and interesting about that was that was digital currency, a digital currency a decade before Bitcoin, but someone owned the intellectual property, someone had a trademark on the word Runescape and Runescape Gold Points.

So anyway, fast forward because I'm getting to the part where actually get to the blockchain. I did not go a traditional path. I did not finish school. I'm a little insecure about it. It's one of the things I really wanted. My mom really wanted for me, and I don't have it right. So I think one of the things that drove me a lot was maybe I'll get to a point where someone gives me an honorary degree. I'll give it to my mom. Not because I need it, but give it to my mom like she's been through a lot. I put her through a lot. So I end up running away to a place called Budapest, Hungary. Maybe [when I was] 19 or 20 years old. I heard that the beer was cheap and the women were beautiful. It was fun place to go. And I knew my money would last. I knew I could stretch it out.

#### **Starting Buffered VPN and being introduced to Bitcoin:**

Picture a boy from Buffalo...I literally don't know where I am in the world. I do not speak Hungarian. Do not know what this Hungarian foreign currency is. Have no idea what it's worth. And I've got to figure sh\*t out. And my first realization was the internet is terrible outside the United States. I was so sheltered. I'd really never been out of the country. I am in Central Eastern Europe. And I got to figure something out. How to make money for beer. And I realized there's a way to access the internet as if I was back in America. It's called a VPN, or virtual private network.

So I get this idea to make myself a VPN. I make myself a VPN service, which basically allows me to use the American Netflix library while I'm in Budapest or watch the Buffalo Bills and not get those content restrictions, or you know, unblock anything that's blocked. You couldn't watch anything. Hulu wasn't there. Pandora wasn't there. Spotify wasn't there. You needed a VPN for all. So I built this for myself and some friends. Turns out a lot

of people like VPNs. And they started saying, “Hey, let me pay you for this.” And we started growing and then some dude came out of nowhere named Edward Snowden. And that guy changed my life. Because he told the entire world that the government spies on us, which is kind of obvious in hindsight, right? They’re watching everything we’re doing. And everyone freaked out. Everyone wanted a webcam cover and a VPN subscription overnight, and they started signing up.

**Now, we were notable for one other tiny reason and that’s in 2013, our users started emailing us saying “Hey, there’s this thing called Bitcoin, could we pay you in it?” So I actually never bought my first Bitcoin. People paid us in Bitcoin. That’s how I actually found the blockchain and Bitcoin cryptocurrency. That’s why I say “serendipity,” or fortunate accident. I went to Budapest for beer and found Bitcoin and the blockchain by running a VPN.**

That was in 2013. The price of Bitcoin that year probably fluctuated between \$200 and \$350. Now our annual package was \$150. So when someone paid us in Bitcoin, we’d get between half a Bitcoin sometimes even more if the price were really down almost a full Bitcoin.

That’s almost a decade ago. This year is actually my 10th anniversary in crypto, since I found Bitcoin, which makes me an absolute dinosaur in crypto compared to these young kids in it.

## **What is the blockchain?**

Blockchain is a multi-party, multi-master database. That’s it. I ledger. It’s a shared account that we all have. Everyone can see how much money everyone else in this room has. It’s a crazy concept. Like what if all of us had access to everyone else’s bank account? That’s basically what it is. Now when I say access I mean, you have view privileges. You can’t like debit the account or go start spending someone else’s money. You’d have to steal their password to or their private key to be able to do that. But it’s a multi-party, multi-master database. Turns out if all of us in this room share information, we can do a lot of cool stuff on that. We can start to build web applications. We can start to build tools that maybe don’t have to sell our data for us to be able to use them. Have we ever just questioned why we’ve traded free social networking and free emails, and free web

searches for the right to have our data sold to multibillion dollar multinationals? Like Facebook makes \$15 per user per quarter, but they don't give any of that to us. They just look at every page we like and say this is what this person is. I'm going to show ads to them and make money on them. That's ridiculous! The people who created the internet never intended it to be the way it is right now. Blockchain is a tool that will enable us to build a more equitable fair internet. That's why I'm so stoked on it. It's not just Bitcoin. It's not like hey, have as much Bitcoin. It's the underlying technology is literally going to change everything about how we conduct commerce, how we intersect.

[Interviewer] So because you're talking about how blockchain will affect businesses, what are some ways that blockchain will affect a small business in this room? These aren't billion dollar multinationals in this room. Most of these people have businesses that are doing between 1 and \$25 million a year. So if I'm a roofer, for example, or hvac...how would blockchain come into my world?

**The blockchain and small business:**

Yeah, great question. So who here is in like real estate? In real estate when you sell a property, there's a lot of intermediaries. There's a lot of middlemen, middlemen and women. It is 2022. We gotta represent both here. And these intermediaries make money by charging. Some of them are escrow agents, closing agents, things of that nature. With the blockchain we have something called a smart contract.

I'll explain it in as plain English as they possibly can. Because smart contracts are not so smart. They're actually dumb contracts. You need lawyers still to write these smart contracts. But what a smart contract will do is enable two people on the opposite side of the planet who do not know each other and do not trust each other to swap a random arbitrary asset...to swap two things. That could be my bitcoin for your USDC, a version of a coin, which is made to hold stable to the US dollar. It's pegged one to one to the US dollar, it could be you know, Bitcoin and \$HBAR. \$HBAR is a coin I helped start with Hedera HashGraph, which is a great coin in the market. And you could swap those two. It could be Bitcoin for a title deed to a property.

Now let's break that down for just one second. If we can swap

money and assets. Bitcoins is money but call it US dollars and a title deed to a property in a totally decentralized way, that is going to disintermediate the way we execute and close on real estate transactions. So we're not there yet with real estate, but the number one of the largest crypto currency exchanges in the entire world is called Uniswap. And it works exactly like how I just described. There is no order book. There are no middlemen. There are two people on the opposite sides of the world who don't know each other, have never communicated, and never talked to each other who have complete safety and security of their funds. And they're about to swap assets.

So I think for I mean for me, with crypto and Metaverse and all this stuff, it's so far away.

[Interviewer] How close do you think we are to getting wide adoption of digital currencies and blockchain smart contracts as a way to transact on a day to day basis?

**What are "smart contracts"?**

So look, I'm sitting here right now and five years ago, you never would have had me on this stage. And I don't mean that in a disrespectful way. I mean, that I've been a black sheep my entire life, right? We've always been the outcast and the people in the corner until the point where it's gotten to a stage where, you know, Grant Cardone calls and says, "Hey, come on stage." And I'm doing the same thing with Tony Robbins. Now he wants some bitcoin content at his event. We're at the stage where everyone is crypto curious, right? A little crypto-curious. But it's important to be crypto-curious because it matters. And whether you like it or not, crypto is going to be part of our lives, for the rest of our lives.

So if you feel it was that like, when am I going to be like paying for gas with a Bitcoin credit card and like people will have a card that is the equivalent of Amex or like how far away do you think we are?

So it happens right now. That exists right now. Not everyone's using it but that exists right now. We're not at the point of true mass adoption. We're not at the point where people are going to Starbucks with a Bitcoin wallet and they're spending their Bitcoin balance, and that's likely not going to happen because if you've ever sent a Bitcoin from one wallet to another wallet, that user

experience is not sound enough. It's way too slow and way too expensive to be able to do that. You'd be waiting like maybe two hours to wait for your transaction to clear before you can get your coffee, your ice is either melted or your coffee is cold. If you had a hot coffee and that's not efficient.

So the first version of the internet...remember dialing up to the internet? Everyone thought the internet was going to be a fad. Dialing onto a blockchain right now whether using the Bitcoin blockchain or the Ethereum blockchain, or a lot of these other blockchains. It is a bad user experience.

**How far away is wide adoption of digital currency and smart contracts?**

So to answer your question, there will be several waves of innovation.

We built a better blockchain that's called a Hedera HashGraph. Bitcoin will do about 6-10 transactions per second. The Ethereum blockchain will do about 10 to maybe 15. Hedera HashGraph will do over 10,000 transactions in a second. And we got Google, the governor of IBM to go over that, so we build the better blockchain.

But we're years after Bitcoin, four years after Bitcoin we launched. We started talking about launching our blockchain in 2017. And then our blockchain fully launched in 2019. Publicly, September 2019. So in two to plus almost three years in the market it's gained adoption from Google, IBM, Boeing, Deutsche Telekom, Nomura, LG Electronics, the London School of Economics. But yeah, it's we're getting to a point where large enterprises are looking at it.

We're not at the point where every consumer has it, we're not at the point where people hold its value. And also, I would venture to guess that the people in this room will be among the last to fully use it in their day to day lives, because we live in the greatest country in the world. And we have the US Dollar as our currency right? A lot of people would die to just be in this room and get to transact in their day to day lives. We won the genetic lottery. We live here in America where we got a stable currency with stable governance. We've got this unbelievable thing that we take for granted. If you are in Venezuela, or Zimbabwe or Ukraine, or Russia and you disagree with Putin, you need to worry about the safety and security of your assets. People here

know that when they go to the bank on Monday morning, their JP Morgan account still works, and that is not the case of Russia right now. That is not the case of Russia. You cannot take your money to Canada. Justin Trudeau like he pulled one over all of us. No politics, I'm sorry.

But you know, it having let me just having 24/7, 365 access to your funds matters. I don't want everyone here to get scared. We never been in a situation where like, I mean, I just remember when COVID was happening, I was like, Oh man. So I went to the bank. I want 50 grand in cash. They're like, "We can't give that to you." "What? How much can you give me?" They're like, "We'll give you 10, and then if you want more than that, then we have to put in a request. It's going to take 3 or 4 days." I'm like, wow, this is wild! Having 24/7, 365 access to your funds. It will matter for every single person in this room.

We do not hope that it matters here because we have the safety and security of again being in this great country, but it does matter for a lot of people in the world who are literally losing their purchasing power on a daily basis because inflation is so ridiculously high. So having deflationary assets in your portfolio, cryptocurrencies are among them. The founding crypto primitive of the Bitcoin Blockchain...it's the first commodity in the world that has a fixed supply. We can always find more gold. We're talking about asteroid mining gold right now. You can always find more coal. You can always find more silver. You can always print more money. You can never make more Bitcoin. That is a fundamental shift in the way that we are going to think about value and then store value and then store value amongst each other, and it's not the only one now, bitcoin, \$HBAR will never be more than \$50 billion. So there ends up being all these different coins, blockchains. It get to a point where it's like there's these three and everything else is garbage. Like these are the three that like it's Bitcoin, Ethereum and whatever.

**Tips on avoiding scams  
and how to approach  
crypto investing:**

You heard about Ripple? XRP. 99.9% of what's in the market right now I have I have to say is sh\*t. You have to be very vigilant and careful when you're going out there to look at these particular crypto. So how do you spot a scam? There's a lot of scams and a lot of people getting ripped off right now because there's no regulation. So like, how do people protect themselves from that?



Anyone promising you a ridiculous return on your money you need to run in the other direction right now. Anyone telling you you're gonna make 10,000% APR? If you deposit your money there, you will likely never see that money again. I would run the other way. That is a lot of what decentralized finance is. Unfortunately, that's a lot of the promises that you see in the market. What is real, is tech people who put tech forward. I'm a programmer. I coded this program. It's open source, open license. What a revolutionary idea. No proprietary software anymore. We're gonna put our code that we've created up online for everyone to review it, and that's important to review it whether you can read the code or not. There are audit firms now much like we have audit firms for finance: Deloitte, KPMG, Accenture. We can audit code now. And then we can say this code is safe. You can use this code. So you want a protocol that as audited code, you want to only be playing with cryptocurrencies where you know that there's a real team behind them.

So when I look at the list, what crypto currencies are trading at the top 50? Is there a point where you wouldn't play below this level right here?

Great question. So there's, I wouldn't look beyond the first page of [coinmarketcap.com](https://coinmarketcap.com). Coinmarketcap.com has no bias whatsoever. It's an objective third party data website that shows data on the top crypto currencies, their trading volumes, their market caps. I wouldn't go beyond the first the top 100. Look at those top 100. When you click on Bitcoin, it'll take you to a page and you can see the Bitcoin whitepaper. You can look at the Bitcoin Blockchain itself. You can look at all the exchanges that you can trade Bitcoin on, and you can really educate yourself and familiarize yourself.

**Bitcoin is actually a failure:**

If I can do it, a boy from Buffalo with literally no formal technical training at all, every single person in here can read the Bitcoin whitepaper. Are some of the concepts complex? Yeah, I read it 20 plus times before I even understood half of it. So what, read it, it's a really good read and in fact, most people don't realize this Bitcoin failed. Bitcoin failed to be what Bitcoin is now. I love Bitcoin, I wouldn't be where I am without Bitcoin, but Bitcoin was supposed to be a peer to peer payment mechanism that all of

us use, like Venmo, it's not going to be that because of technical restrictions. And yeah, there's improvements like Lightning Network or you know, a scaling solutions for Bitcoin. Bitcoin will likely become a store of value. It just as a store, it's a way to preserve wealth much like you call your broker and say, Hey, I'd like some exposure to gold. What's an ETF? I can buy that I get some exposure to gold. There will soon imminently someday soon be a Bitcoin ETF where you can take exposure to Bitcoin through a financial product where you can have that exposure in your portfolio. I swear I just saw them talking about this on CNBC the other day.

It's not a question of if now, it's a question of when. The regulators are smarter than we all realize, like, I've met with all of them. In fact, we were one of the first projects to launch in the United States of America without going offshore, where we contacted the SEC and said this is what we want to do:

We want to launch a coin in this country with Google, IBM, Boeing, Deutsche Telekom. They looked at us they said: "One, you're crazy. This will never work. Two, thank you for meeting with us make these changes, we'll let you go do it". And that's what we did. Now. We don't have no action relief. You work at the SEC, we didn't formally apply for no action relief. But you know, we they let us go when we know that they stopped a lot of other projects like so we're grateful to have been able to do that. I think the regulator's are playing catch up right now.

So this all kind of goes to your earlier question, which is when will mass adoption come? When we have mature regulation, when we have spot ETFs for the major crypto assets, and when we have consumer applications that totally abstract away the blockchain experience.

**A timeline to mass adoption:**

Does anyone here play like an iPhone game like Madden NFL 2022? If you play really good mobile game, when you're playing that game, you don't say like, "Hey, I'm using Google Cloud, or hey, I'm using AWS cloud." The same is gonna be true for a blockchain. No one's gonna be like, "Yo, look at this app. I'm using I'm using the Ethereum blockchain, or hey, I'm looking at this app, I'm using the Hedera HashGraph blockchain." All of that needs to be abstracted away for the user. Likely in

the future we're all going to be using cryptocurrency without actually knowing that we're using cryptocurrency because it's behind or powering the applications that we're using. So it'll look just like Venmo or it'll look just like CashApp. And in fact, you can buy crypto in both of those places. Now which is insane. It's awesome. It's more and more and more that it's going to come. So that is why we're closer than we've ever been to mass adoption, **but we're still like three to five years away.**