Demetri Kofinas:	00:00	Today's episode of Hidden Forces is made possible by listeners like you. For more information about this week's episode or for easy access to related programming visit our website at hiddenforces.io and subscribe to our free email list.
Demetri Kofinas:	00:16	If you listen to the show on your Apple podcast app, remember you can give us a review. Each review helps more people find the show and join our amazing community. And with that, please enjoy this week's episode.
Demetri Kofinas:	00:31	The gathering of information, said Marshall McLuhan is the new occupation of electronic man. Once endlessly consigned to forage in a land of scarcity, he is now drowning in a sea of informational abundance. Yet the desire to be informed is not unique to the human animal. Chimpanzees gossip their way into alliances, power and hierarchy. Even whales and dolphins love to chatter, but only human beings have managed to abstract from their utterances the building blocks of modern civilization.
Demetri Kofinas:	01:09	It should come as no surprise, therefore, that information is the currency of the digital age. Deriving its value from the computational power of those who seek to process it. In a world of informational abundance, the quality of our consumption, not it's quantity, determines the scale of our harvest.
Demetri Kofinas:	01:31	This week on Hidden Forces, Ryan Selkis, Information Currency and the Database for a New Financial System. So Ryan Selkis, welcome to Hidden Forces.
Ryan Selkis:	02:02	Thank you for having me.
Demetri Kofinas:	02:03	It's great to have you on. I'm actually very excited to have this discussion. Why don't we begin with your background and how you got into this crazy space of cryptocurrencies?
Ryan Selkis:	02:14	Sure. So my background, I started my career in venture capital and kind of traditional finance. I got into Bitcoin in 2013 and at the time I was weighing whether to go to business school or not. I had actually deferred an offer at MIT and then all of a sudden, the project that I was working on wound down unexpectedly a little earlier.
Ryan Selkis:	02:32	So I found myself with ten months on my hand, where it wasn't quite enough time to get another job and really go kind of go all out in another job and I had just invested for the first time in Bitcoin and that was one of the first mega rallies, the first run up to $1000.

Ryan Selkis: 02:47 So my kind of foray into the industry was very much buy, sell, hold. I've got free time, let me figure this out. And over a long weekend, I went down the proverbial rabbit hole, as you'll hear so many people in the industry say, and kind of never looked back. So I started doing some writing, some consulting, the writing-

Demetri Kofinas: 03:03 This was 2013?

Ryan Selkis: 03:04 Yeah, this is late 2013. Got in mid-2013, full-time, kind of late 2013.

Demetri Kofinas: 03:09 So when you invested, did you invest saying let me just get a little small piece of this so I can feel-?

Ryan Selkis: 03:13 Like most people, right, just a speculative investment. I'd looked at gold way back in, I think it was 2011 when they did the debt sequester. I was like, "The U.S. is fucked." So naturally I wanted to make a countercyclical play or hedge against the U.S. dollar and that ended up being a like terrible, terrible trade.

Ryan Selkis: 03:33 But, that was the first time I heard about Bitcoin, but back then you would have had to go to a café and basically pay someone money for a USB stick. So I very stupidly said no to that. Tried to short the U.S. Bond Treasury's ETF and then go long gold and it was a colossally bad trade.

Demetri Kofinas: 03:49 No hedge.

Ryan Selkis: 03:49 But if I had done Bitcoin instead it would have been better. But the thinking was correct, I'd like to think. But I got back into it in 2013. You know, Fred Wilson invested in Coinbase and when they shut down Silk Road, for me, that was really like the ah-ha moment of "Hey this is a potentially really interesting global store of value. It's censorship resistant. It has all these attributes like gold, but it's much more easy to transport and settle across borders and prevent from government seizure."

Ryan Selkis: 04:20 But when they shut down Silk Road it became clear that this was not going to just be the purview of child pornographers and drug dealers and murders for hire. And in fact, I still think that's true today. There are better options if you're looking for truly private transactions. The U.S. dollar is probably much better than Bitcoin amongst some of the other cryptocurrencies. But for me that was kind the big ah-ha moment when they shut down Silk Road.

Demetri Kofinas:	04:41	And that was towards the end of 2013?
Ryan Selkis:	04:45	It was like September of 2013.
Demetri Kofinas:	04:46	September 2013. And for those who don't know that was the online drug retail hub sort of-
Ryan Selkis:	04:51	That's right.
Demetri Kofinas:	04:52	The eBay of drugs.
Ryan Selkis:	04:54	Really it was the killer app for Bitcoin. That and a site called Satoshi Dice, which Erik Voorhees had started. Now it's a gambling and drugs, that's what really built up the market cap of Bitcoin, and really the backbone of the industry early on.
Ryan Selkis:	05:07	I still think that's probably a good place to look for innovation now. Not necessarily black markets, but gray markets and we've seen this very recently with this market called Auger, which is a prediction market. If you look at the centralized prediction markets that have been out there in the past where you can bet on political outcomes or sports betting or what have you, they've all been shut down because they're unregistered illegal gambling.
Ryan Selkis:	05:30	Intrade is kind of the classic example, a former U.K. company. And now you've got this decentralized alternative that can't really be shut down, and it's one of the fastest growing decentralized applications out there. It's many multiples of Cryptokitties, which is previously the largest in terms of active users, and it's continuing to kind of pick up steam. I think those kind of gray markets where you can argue, they're illegal technically, but maybe ethical I think are still really good places to look.
Ryan Selkis:	05:59	Unlike Silk Road ... Well Silk Road you could argue was ethical up to a point when it was just drugs, but obviously Ross, the founder, went to jail for life because of apparent murder for hire charges.
Demetri Kofinas:	06:10	So you actually said you expect to see a bull market in murder for hire in one of the pieces that you wrote.
Ryan Selkis:	06:16	Yes, that's one of those Black Mirror-like [crosstalk 00:06:18]
Demetri Kofinas:	06:18	You have an interesting writing style.

Ryan Selkis:	06:20	Interesting is one way to put it.
Demetri Kofinas:	06:21	Were you at all serious that you thought there was going to be an explosion of that?
Ryan Selkis:	06:25	I think eventually. I think new technology is always used for good and for ill, and I think assassination markets are something that are probably inevitable.
Demetri Kofinas:	06:35	Interesting.
Ryan Selkis:	06:38	One of the reasons that we're working on it at Messari this data platform that is trying to drive transparency in some of these more opaque markets and really help people better understand the inner workings of these networks, it is to kind of pierce the veil a little bit as much as possible. Try to identify the worst actors of the industry and make it easier to invest in a safe way in these new crypto-asset markets, but also identify bad behavior.
Ryan Selkis:	07:06	I don't know necessarily that we're going to prevent murder for hire or anything like that if you see that in the future, but our angle right now is how to do we protect investors? How do we analyze these markets so that people can at least have a better grasp of what's going on these networks?
Demetri Kofinas:	07:21	Okay, so let's talk about that because that's huge. What you just said there at the very end, people get a better grasp. That's sort of the big problem. The vast majority of people whether they're invested in this or not, don't understand it, right?
Demetri Kofinas:	07:34	So how does Messari help to bridge that divide? What does it do in that regard? And fill us in on what Messari is? What services you guys offer and what the vision is for this crypto-economic cryptocurrency, tokenized sort of project?
Ryan Selkis:	07:48	Sure, so we skipped a step there. So I'll kind of finish my background and that will I think provide a little bit of context for why we got building Messari.
Ryan Selkis:	07:55	So after I kind of spent that first year writing and doing some consulting work, joining the founding team at Digital Currency Group, spearheaded our seed investments for the first year or so, help raise the round and build the core team. Kind of from day one I said my goal was ultimately to transition out of that role.

Ryan Selkis:	08:12	I helped during the transition, given my VC background, but ultimately get to the other side of the table and actually build something within the DCG portfolio. And pretty much right on cue we announced the round that we closed at Money 2020 and then later that day we met with the outgoing CEO of Coindesk, Jeremy Bonney, and discussed the acquisition of Coindesk.
Demetri Kofinas:	08:30	When was this?
Ryan Selkis:	08:31	This is late 2015.
Demetri Kofinas:	08:33	And you were at DCG-
Ryan Selkis:	08:34	DCG.
Demetri Kofinas:	08:34	That's Barry Silver's company. And when was Coindesk founded?
Ryan Selkis:	08:38	Coindesk was founded actually in 2013 but it was struggling obviously in the bear market of 2014-2015, eyeballs were down, ad revenues were down. But we had aspirations to do our own conference and they had just done Consensus 2015, which is kind of like a pilot for what became a much larger event.
Ryan Selkis:	08:54	But it had a great brand, programming was really well put together and core editorial brand was still very strong. So we acquired Coindesk, threw a little fuel on the fire that was Consensus, and that became the engine for the rest of the business. Now it's one of the fastest growing, profitable private media companies in the world.
Demetri Kofinas:	09:11	Is that right?
Ryan Selkis:	09:12	Yeah. I mean they don't disclose figures, but you can kind of backend into how much money they make just from the Consensus conferences alone if you look at the 7500 attendees and all the sponsors that they had, plus $2000 a pop for tickets, it's a pretty healthy business.
Demetri Kofinas:	09:26	That's right. That's remarkable though. How many more conferences did you do? Not just that one? I mean how many do you do per year?
Ryan Selkis:	09:30	We acquired the business in January 2016 and I helped run the 2016 and 2017 version. So not this past year, but transitioned out after the 2017. So ran Coindesk for about 18 months.

Demetri Kofinas:	09:42	But how many events did you put on?
Ryan Selkis:	09:44	Three. We did one developer-focused event and then the two flagship Consensus conferences.
Demetri Kofinas:	09:49	Amazing.
Ryan Selkis:	09:50	So I've learned a lot about throwing parties.
Demetri Kofinas:	09:53	That's great. That's a great skill.
Ryan Selkis:	09:54	Which is not a bad skill. Something I carried over from college I guess. So I took a couple of months off last summer and really started to go down the token rabbit hole. It was similar to my evolution in Bitcoin. It's just a little bit of free time plus some interest in figuring out this really new market.
Demetri Kofinas:	10:10	And when you're talking about tokens, to be clear, you're really talking about distributive applications built on top of the underlying protocols?
Ryan Selkis:	10:16	Yes. But specifically ones where they're powered by crypto-assets. So they're some type of native token to the blockchain. And the biggest thing I was trying out is there anything that's actually legitimate, right? That even has a chance of being somewhat valuable?
Ryan Selkis:	10:30	Because I think many in the industry, and I'm till probably mostly in this camp, believe that almost all of the value is going to accrue to money-like assets, like Bitcoin. Like assets that actually have some reason that you would hold them for an extended period of time. And if you think about traditional assets, you'd have store value or money-like assets that's either dollars or yen or RNB or gold, things like that. Or you're investing in securities and why would you invest in securities while you have a claim on the assets of a company or their residuals, their cash flows and there are kind of traditional ways to price those?
Ryan Selkis:	11:08	In most of the token markets there are no governance rights that you have. It's not like a share of stock. Very few of these entitle you to any type of cashflow from the network. A lot of people were basically making the pitch that because these were cryptocurrencies, "Oh you can use our specific token for this specific type of payment or you can use our token for this specific type of staking." Which begs the question, "Well, why

		the hell do you need that in the first place, who's using that app?"
Ryan Selkis:	11:35	We know a lot of people are trying to find inflation resistance, censorship resistance stores of value. I mean that was kind of the killer app for Bitcoin, but is everything in this kind of capital raising application ... Is it just a giant kind of pyramid scheme where the value of Ethereum and Ether's native token went up simply because it was a temporary reserved asset for these ICOs?
Ryan Selkis:	11:58	Well what happens when these tokens start to lose their value? What happens to Ether? Does everything kind of come tumbling down after that?
Demetri Kofinas:	12:04	What does happen to Ether? I mean are you a pretty big bear on Ethereum?
Ryan Selkis:	12:09	I wouldn't say that I'm a big bear. I mean we have Ether on our balance sheet. A couple of our investors had invested in Messari via Ether. So we have a very small amount of Ether on our balance sheet. I wouldn't say that I'm as bearish as some. I'm kind of neutral on it.
Demetri Kofinas:	12:20	Help me along here. The way that you're analyzing this market. You were eluding to MPV, the equation of exchange and velocity, and the fact that high levels of velocity-
Ryan Selkis:	12:29	Which you talked about with Chris on another podcast.
Demetri Kofinas:	12:30	Which I talked about with Chris absolutely. Chris Burniske, Episode 31 or something like that, but I definitely advise listeners to go back and listen to that.
Ryan Selkis:	12:38	He's a lot smarter than me.
Demetri Kofinas:	12:40	A lot of smart people in this space. So you were eluding to that. So Ethereum's a good example, right? Which is if it succeeds by the metrics you're describing, well then how valuable would it be let's say if it were the dominant utility protocol? Would a staking architecture help to offset the loss of the value of the currency, the underlying utility token that would come as a result of the high levels of velocity or does the sort of separation of that from GAS to Ether help to offset it? How do you think about that value proposition when it comes to Ethereum?

Ryan Selkis:	13:14	I don't even think about it like that. I think about how many people are religious about the Ethereum community and it's kind of long-term development. Truly, I think the communities that will do well, where their token will retain value ... You almost have groups of people, really sizeable parts of the base of any of these communities that are just saying, "I don't want to hold this for life." "I probably made a decent amount of money if I had taken any chips off the table on the way up. The rest of it I might just hold forever and stake it kind of plow it back into the ecosystem development." I think is happened with a lot of early Bitcoin holders, a lot of early Ethereum holders.
Demetri Kofinas:	13:49	That's interesting.
Ryan Selkis:	13:50	And the interesting thing is, I don't know that that necessarily applies to many of these newer token projects where they were just kind of born during the get rich quick 2017 glut of ICOs. Now you've got a bunch of mercenaries that are holding these assets at the various other blockchain projects.
Ryan Selkis:	14:10	But with a select few you do have these kind of religious zealot bases that are going to hold, just for in many cases philosophical reasons, but also because they think these assets could be reserve currencies of the future. The bull case for Ethereum is the winning money of the future is basically going to be embedded into the winning smart contract platform, right?
Ryan Selkis:	14:31	The Bitcoin bull case is, "Well, we took a very narrow application, but it's really good at one thing which is settling payments without any central intermediary. So I think it's kind of two different arguments and you'll find a bunch of bulls and bears on both sides of that, but the newer tokens I think have a much steeper uphill climb.
Demetri Kofinas:	14:52	Okay, before we do get to Messari though, I actually want to stick on this point that you're making and it'll feed back into Messari because so much of the work that you guys do gives people the data they need and the data aggregated and formed in such a way that they can make sense of it to help them with valuations, right?
Demetri Kofinas:	15:11	And that's another question I have for you which is what's your framework for valuing these projects? Because this one particular point that I made about velocity, it's an interesting one because you could actually look at a technology and from a purely technological standpoint you could have the good sense of market need and say, "This is going to really be successful." And indeed you're right, but in fact it turned out to be a horrible

investment because it doesn't retain the value of the token that you expected because of alternative factors that are baked into the cake of an economy-based system, like a token economy.

Demetri Kofinas: 15:43 How do you approach valuation here?

Ryan Selkis: 15:46 I think, in general, the smart way to think about it is almost all of these assets, you should look at like early stage venture investments, which they are, right?

Ryan Selkis: 15:55 I mean most of the projects that have raised money are pre-product. In some cases even like pre fully baked team and they've raised $5, $10, $20, $100 million dollars in some cases. So I think, obviously, most people would say that the asset class in general is still pretty overvalued even though it's come back in some cases some assets by 80%-90%. So pretty overvalued by traditional venture investing metrics.

Ryan Selkis: 16:21 I don't know that you've really seen interesting valuation models emerge yet from a fundamental's perspective just because most of the products aren't live yet. So you can't look at daily active users. You can't look at the size of their communities or even the size of the developer commitments on top because nothing actually works yet. Right, with very limited exceptions, right?

Ryan Selkis: 16:43 It's Bitcoin, Zcash, Monero, some of the money coins, they work. Ethereum is launched as a smart contract platform and a couple of others are kind of close behind. EOS just launched, Tezos, same thing, but they're one or two months old in terms of, not even in some cases in terms of actually being in production. So I think it's premature to actually think about what impacts developers or users you're going to have on the valuation of these assets.

Ryan Selkis: 17:11 That doesn't necessarily mean that if they scale in the short-term these assets are going to be able to grow into their current valuations.

Demetri Kofinas: 17:17 But then how do you attract capital into the project?

Ryan Selkis: 17:20 I think it's really only initially, right? I think most of these raises have been one shot deals at times zero, and the people that are investing just want to sell to a greater fool.

Demetri Kofinas: 17:30 Right, that's like the dumb one, that's like the dump.

Ryan Selkis:	17:32	Well no, it's the industries dirty little secret, everybody's in on it.
Demetri Kofinas:	17:36	But like the ICO craze.
Ryan Selkis:	17:37	That's the reason we have massive discounts for the earliest investors and potentially three or six month liquidity.
Demetri Kofinas:	17:43	Are you talking about the private placement investments or the straight up ICO?
Ryan Selkis:	17:47	Yeah.
Demetri Kofinas:	17:47	Because there is a differentiation obviously. But, to go back to that point, if you were an early investor in Uber, for example, let's say and it was even before they even had a product, right? They just had like a demo, you know like a PowerPoint. You were still investing in a company, right? So you had some basic idea-
Ryan Selkis:	18:03	Yeah and then it was company, it was like a $4 million pre-money valuation, so a little bit different.
Demetri Kofinas:	18:07	Yeah, but I mean-
Ryan Selkis:	18:09	You know, it was company with governance rights and info rights.
Demetri Kofinas:	18:11	Right, so you have some expectation of like if it is successful, which I have no idea if it will be let's say to your point, then I know what will happen to the value of my investment. That relationship isn't as direct in cryptocurrencies is my point.
Ryan Selkis:	18:26	Correct.
Demetri Kofinas:	18:26	Yeah, and that's why I was wondering. And your answer to how to evaluate that is it's really too difficult to try to do that and we have to sort of-
Ryan Selkis:	18:34	In practice, right? In theory, I call it the crypto-asset barbell, right? You've got money one hand, you've got securities that are kind of built on top of blockchain tech on the other, but both kind of follow traditional valuation frameworks. And then there's this kind of narrow band in the middle, the middle of the barbell, where most utility tokens have been issued today, they might be massively over-valued, but in some cases, there is some intrinsic value in the assets themselves, they might just be mis-priced.

Ryan Selkis:	19:01	And the way that I think about it is how you value scarce digital assets? You can look at the replacement costs. So for something like Filecoin or Sia or these distributed storage networks, you can look at what the storage costs are on AWS or Dropbox, or if you're talking about storage or compute, there are certain digital resources where you can you look at the replacement value and you can say, "Okay, if there's enough committed bandwidth or committed storage or committed compute in these networks, well that's worth X amount if you were to go through a centralized alternative."
Ryan Selkis:	19:35	So it's not zero, but it's maybe well, well short of I think where you are today and valuations have certainly gotten ahead of themselves. So it's an interesting valuation exercise. Our thinking at Messari is that in three/four/five years, these things will kind of come back into range. The crash is going to happen, just when does it happen? I don't think anybody knows. We could get a lot crazier and frothier before we get more sane, but it will happen at some point.
Demetri Kofinas:	20:00	You're saying in the valuations of these projects-
Ryan Selkis:	20:01	In the valuations of these projects.
Demetri Kofinas:	20:02	Including things like Bitcoin and Ethereum?
Ryan Selkis:	20:04	Well I don't want to make like broad-sweeping predictions or pronouncements, but I do think that the money-like assets are just very different to value.
Demetri Kofinas:	20:12	So what you're really talking about here, just to clarify, and when you talk about tokens, utility protocols, would Chris Burniske for example, we brought up before, would he call those crypto commodities?
Ryan Selkis:	20:22	Yes, I think so.
Demetri Kofinas:	20:23	Okay, so what you're basically saying is all these new projects that are really where the excitement is about the future and building all these assured replications and blah, blah. That area has seen a huge explosion of projects, only a fraction of those are going to survive and be actually anything meaningful, and we have to wait to see that consolidation, and we haven't had that consolidation yet?
Ryan Selkis:	20:42	I think that's part of it, but I think even the really, really good projects right now might be way, way over-valued.

Demetri Kofinas:	20:48	Sure.
Ryan Selkis:	20:48	Versus where they are today.
Demetri Kofinas:	20:50	So it's important to have that correction one way or the other?
Ryan Selkis:	20:52	Yeah, and whether it corrects from ten times as high as we are today or corrects from here, your guess is as good as mine.
Demetri Kofinas:	20:58	And data is so important in helping us figure out if we can get ahead of curve on which projects are going to survive and which projects aren't, right?
Ryan Selkis:	21:04	Mm-hmm (affirmative)
Demetri Kofinas:	21:08	Data about the companies, about the teams.
Ryan Selkis:	21:09	The token economics, the governance of system, right? The inflation that's baked into these projects. If you kind of step back, and you think about, "Okay, what does a public company have to report on an annual and quarterly basis?" How would you extend those reporting requirements, I guess for a lack of a better term, to a decentralized network that might not necessarily have an executive team, right?
Ryan Selkis:	21:30	It's very difficult, so you have to come up with a whole new set of disclosures or kind of crowd source research as you're thinking section by section. You might be able to crowd source the business subscription and risk factors of Bitcoin, but there is no kind of governance. There is no executive team for Bitcoin, right? There's core developers, there's other kind of key players within the industry, but there is no executive team. So because there's no executive team, there's no one central entity to put that disclosure together [crosstalk 00:21:56].
Demetri Kofinas:	21:56	It's the problem of governance, this is central to that?
Ryan Selkis:	21:58	Now, on the other hand, you kind of do have this with early stage token projects, right? These are centrally managed projects with small teams that have raised a bunch of money to deliver a network.
Ryan Selkis:	22:09	So a big part of our pitch has been ... Some of these networks are going to start to centralize, and to level the playing fields, we need to have some type of common sense disclosures. Not necessarily like a S-1 or 10K, like these kind of public company reports, but something that's a little bit lighter weight that at

least helps people understand who are the principles on the team, who are the investors, how are they unwinding their token treasuries over time, which is basically inflation in these systems that's hidden?

Demetri Kofinas: 22:37 The supply schedule?

Ryan Selkis: 22:37 Of the token.

Demetri Kofinas: 22:39 Of the tokens, right?

Ryan Selkis: 22:40 Yeah, because with Bitcoin it was all just in the code. Right, 21 million Bitcoin are going to be supplied ever. The supply issuance has every four years. It's just like all part of the mining algorithm. But with these new assets, the core teams that have raised all this money are kind of double-dipping because, on the one hand, they'll have raised in some cases eight/nine figures to fund developments in Ether or U.S. dollars or whatever they raise it in to sell a portion of the tokens. But then they'll also retain 10-15 and in some cases 30% of the token treasury. And they say, "Oh, this is going to invest over time and we'll unwind it."

Ryan Selkis: 23:15 Or the extreme example, XRP, Ripple's currency, which I think they control like some 70% of. So understanding when those central entities actually unwind those positions.

Demetri Kofinas: 23:25 Because they have a huge market cap.

Ryan Selkis: 23:27 Yeah.

Demetri Kofinas: 23:27 For that model.

Ryan Selkis: 23:30 Yeah, it's crazy. I've written about XRP and been critical of Ripple's marketing of XRP, but I actually think that when it comes to disclosures and quarterly transparency of how they're unwinding their position, they're probably close to if not best in class.

Ryan Selkis: 23:44 So I think what we're doing at Messari is trying to pick out, "Like, what do we identify as the best practices? Not in terms of the design of these systems necessarily or trying to be make ourselves an arbiter or truth for what is legal or illegal or whatever, but try to find kind of the best practices with respect to transparency and general alignment between the communities, investors, and then the development teams that are issuing these tokens.

Demetri Kofinas:	24:07	Where to you pull your data from? Is data aggregation a very difficult process for you?
Ryan Selkis:	24:13	Yes. Yeah, I mean I think that's the reason that it's just generally difficult and to your kind of earlier point, right? Like no one knows what's going on. It's a sea of noise. There's a ton of opinions. Everything is so early staged that experts are wrong and novices are right very frequently. You are really trying to pull an entire new set of metrics about what's going on within these networks just by looking at the transactions on the blockchain. So you need to actually set-up infrastructure to either run nodes or put yourself in a position to scrape the transactions that are happening in these blockchains.
Ryan Selkis:	24:47	In some cases, that's harder, impossible, if they've implemented certain privacy features. You've got the issue of kind of quasi-public blockchains where the issuing teams still have a very large stake, and they still have very-
Demetri Kofinas:	24:59	Ripple.
Ryan Selkis:	25:00	Control over the development of protocol. Well it's not just Ripple, right, I mean-
Demetri Kofinas:	25:03	But what I'm saying, that would be an example, as you just mentioned.
Ryan Selkis:	25:06	Yeah, it would be one example.
Demetri Kofinas:	25:06	Right.
Ryan Selkis:	25:08	But it's certainly not just them.
Demetri Kofinas:	25:09	Sure.
Ryan Selkis:	25:11	I think it's the exception more than the norm when you're talking about whether something is actually decentralized in terms of development and money supply. So you've basically got those two aspects. And then, the third, is just finding reliable information about prices and exchange volumes because most of the exchanges are not properly regulated either, especially even some of the most liquid ones.
Ryan Selkis:	25:33	So actually doing something as simple as price discovery or trying to ensure that you're not trading on manipulated markets is not a slam-dunk. So there are three or four or five different angles that we've got to come at this through, and that's why

		we're trying to crowd source as much as possible. Engage with the teams that have issued these tokens as much as possible, and really try to stay as neutral as possible while still kind of reserving the right to call out out-right scams when we see them.
Demetri Kofinas:	26:01	How much of this is automated, and how much of this is actually people calling up the teams, doing some sort of due diligence?
Ryan Selkis:	26:10	Very Mechanical Turk and kind of people driven today, and part of that is just due to the immaturity of the technology stacks that we're building on and that we're working with. I think the long-term vision is basically to, via code, add certain smart contracts or create libraries that developer teams can access, where they can basically automate all this reporting, right? It's just embedded into their blockchain code.
Ryan Selkis:	26:36	So whether you're talking about how they manage their treasuries and unwind them over time, whether you're talking about any type of portfolio management they might have ... like what their foundation's PNL or finances look like.
Ryan Selkis:	26:48	I believe that long-term, most of that's going to be automated and that is probably what would ultimately give rise to some of the early successful decentralized autonomous organizations. If anyone else has been on the program and talked about that ... But basically these purely software-driven entities that act on their own volition because they've just been programmed a certain way to fulfill a certain function and, essentially, are robotic companies of sorts that run on automatic pilot.
Ryan Selkis:	27:17	If we get to that point, going back to the assassination markets, you know kind of tongue and cheek comments that I had. If you have organizations that are fully autonomous and one of those gets deployed where it's basically a Black Mirror episode where the entire design is to create this hive of killer bees, that you know based on Tweets-
Demetri Kofinas:	27:37	I saw that one.
Ryan Selkis:	27:38	It just kills, or the target of day, as it gets the most reached. In theory, that's absolutely possible and I think it's kind of on us as an industry to think about kill switches and ways to mitigate that and manage it.

Demetri Kofinas:	27:50	So one side of this, whether it's automated or not, is the acquisition of data, qualitative/quantitative whatever. It's getting as much data about the world as possible. The other part is making sense of it, right?
Ryan Selkis:	28:01	Mm-hmm (affirmative)
Demetri Kofinas:	28:01	And that's the output side. Do you have a vision for Messari and for this industry in general that speaks to the media side of this? You talked about it a bit with Coindesk, that's a very early example of it. A very basic sort of written content. Is there a vision for Messari to be turning this into a Bloomberg media or something like that?
Ryan Selkis:	28:25	I absolutely think it's an option. I think it's something that I enjoy doing and I've developed a bit of a following with my blog over the last five years, and really enjoy putting together my daily newsletter. And now we've got a full team that kind of contributes to that and we'll be relaunching that in the next couple weeks.
Ryan Selkis:	28:40	In fact, July 24th, we've announced that we acquired On Chain Affects, which is a leading data provider in the industry. It's served as a backbone to the Bloomberg Galaxy Index and have come up with a few pioneering data points that are getting more widely cited throughout the industry, like fully diluted market cap that it actually includes inflation adjustments.
Demetri Kofinas:	28:59	It's like a beefed up coin market cap?
Ryan Selkis:	29:01	Yes.
Demetri Kofinas:	29:01	Isn't it already live on your site? I feel like I've seen it already?
Ryan Selkis:	29:04	It is, yeah. So we kind of soft-launched it. We didn't really make too much noise about it. The website has fairly low traffic now, so I think only a couple people have seen it.
Demetri Kofinas:	29:13	Oh, so you knew when I've been on the Messari then?
Ryan Selkis:	29:16	Yeah, exactly. So we've acquired that business. I think it really will be super important for us in terms of measuring on-chain transaction volumes, on-chain metrics.
Ryan Selkis:	29:28	The other thing that we've added is a curated content feed because most of the conversation today, most interesting research in content that's coming out on a daily basis ... It's

		actually on Twitter and Medium and kind of direct from the horse's mouth some of these kind of early pioneers that are really just nose to the grindstone iterating on their ideas and really developing the eco-system in real time.
Ryan Selkis:	29:50	So by the time it's on Coindesk, by the time it's on Bloomberg, or any of the mainstream media outlets, they're great, right? But at that point, a lot of the conversation has already transpired and what people are talking about is already kind of well-known by the insiders and the power users of the industry.
Ryan Selkis:	30:07	So I think our goal is to curate those top stories and top pod-casts, top kind of new announcements on the product side in real time, but not go nearly as deep, instead just give people the very high-level meat of what these new announcements are.
Demetri Kofinas:	30:25	Is there no live? I mean I haven't found one. This market would seem particularly well-suited for a live video-steaming network much more so than some other industry because it's so natively digital.
Ryan Selkis:	30:40	Mm-hmm (affirmative)
Demetri Kofinas:	30:41	And there is all this, as you said, this action on social media, particularly Twitter where you have real time spats that are actually more relevant I think than in other areas. You don't have the same sort of ... Well we have it now with our president, but you don't really have it as much traditionally in traditional industries. You have it much more in crypto space, so there's more to pull from.
Ryan Selkis:	31:01	Yeah, I think someone's going to do that. I'd jump out this window if we got into infotainment, and I know everybody on our team would quit if we really dumbed it down and were just going with how many eyeballs and Twitter beefs can we broadcast in a single day.
Demetri Kofinas:	31:16	Right.
Ryan Selkis:	31:16	Just not really why we got into this whole thing. I think there's some truth to it and I do think that the best content platforms are going to be ones that do have a little bit of personality, a little bit of opinion, and don't play it as straight as traditional media. Traditional media being like Wall Street Journal and New York Times wired, right? Like I think everybody wants to build the wired of crypto, but I don't think anyone wants to build the Fox News or CNBC.

Demetri Kofinas:	31:39	There are people that want to.
Ryan Selkis:	31:39	Or CNBC right.
Demetri Kofinas:	31:43	I'm sure there are people that want to do that. There are always those types of people. Is there a place of embedding journalists in some of these teams though? It would be an interesting way to generate some really cool stories. Like if you identified some very interesting projects and have people embedded in those projects that are actually reporting from it?
Ryan Selkis:	31:59	This is, I think one of the things that led me to start Messari is the realization that ... Coindesk has some incredible journalists, but they're limited in their understanding of the tech and the economics of these blockchains just because that's not their thing, right? They're not full-time finance or accounting folks, they're not full-time computer scientists. And if they were, they'd make a ton more money just being within a team at the industry level.
Demetri Kofinas:	32:27	Right.
Ryan Selkis:	32:28	So I think the problem when you talk about people reporting is, you can only go so deep when their certain lack of understanding [crosstalk 00:32:36].
Demetri Kofinas:	32:35	That's the same problem in finance generally.
Ryan Selkis:	32:37	Same problem in finance. Same problem with really any specialized subject matter. And so, instead, our thinking is the Wikipedia model is actually a hell of a lot more interesting. The challenge instead becomes one of curation and moderation, right? How do you?
Demetri Kofinas:	32:51	Curated registries?
Ryan Selkis:	32:52	Yeah, so we can talk about that a little bit. Like how curation markets and some of these token incentivized schemes to reward high quality curators of information for the work that they do. That could be one possible solution.
Ryan Selkis:	33:07	But we can even go more rudimentary than that. I mean so many people are excited about this industry. They're just coming up the learning curve. There's a lot of people that are just doing this in their spare time anyway. So if they can contribute to something that's kind of part of the greater public commons or greater good, we found that they're going to do it.

		We have over a hundred volunteer contributors right now to Messari.
Demetri Kofinas:	33:26	Mm-hmm (affirmative)
Ryan Selkis:	33:26	Many of whom are from traditional finance, they're analysts of funds, they're pensions or computer science programs. People are just kind of digging their teeth into this and they're contributing to the Messari data library just because they are doing it anyway and they'd rather just publish this and have it part of a broader public commons.
Demetri Kofinas:	33:45	I'm listening to you talk and I'm thinking about how one of the challenges for many people, particularly those who are older and have very limited sort of experience with this space or learning about. Is disconnecting your traditional sense of how value is captured to how it works in the space?
Demetri Kofinas:	34:03	And as I understand, the Token Curated Registries, and you mentioned Wikipedia, it's sort of the same way in which content is created on the web currently, but given out for free. This sort of does the same thing in a sense, but it finds a way to monetize it so that anyone who actually thinks it will do will is able to participate on the upside somehow?
Ryan Selkis:	34:24	Yep.
Demetri Kofinas:	34:24	Right, that's a general way of putting it.
Ryan Selkis:	34:26	Yeah, I think so. So let me kind of go back to the early example. So I mentioned kind of the middle part of the crypto-asset barbell, the skinny part, where there's a lot of interesting innovation that I think we'll see, but mostly things are over-valued. Generally speaking, those tokens, those commodity tokens, you're trying to price some natively digital information resources, right? Then with computing on kind of the Filecoin or-
Demetri Kofinas:	34:49	Gallium.
Ryan Selkis:	34:49	Gallium, yeah, that side of things, with TCRs. What you're trying to do is you're trying to price the intrinsic value of the given credential, right? And we've made lists for eons, right? It's maybe one of the only applications that's older than money.
Demetri Kofinas:	35:03	You're talking about lists of things, of lists of names, lists of whatever?

Ryan Selkis:	35:07	Black lists, white lists, like whose part of my tribe? What plants to eat? Just generally speaking, you know we make lists because we're not good at making decisions about everything. We need to defer to our village elders. We need to defer to our financial planners. We need to defer to our doctors, right? And, traditionally, we've trusted those folks because some central entity has credentialed them. So if you want to get surgery, you're probably going to make sure that your doctor has a license and probably from a reputable school. Or if you're going to hire legal counsel, you want them barred in the state that you're actually going to file suit in.
Demetri Kofinas:	35:41	Or if you have radiologist in India look at your CT Scan?
Ryan Selkis:	35:45	Yeah, exactly, right? So I think what these credentials do is they allow us to make better decisions, absent perfect information that we just don't individually have. So the example that I always like to use for Messari... Essentially, like the Token Curated Registry that we might be interested in creating and managing early on and then ultimately decentralizing, is one that would credential entities that meet certain minimal thresholds for transparency.
Ryan Selkis:	36:12	They've basically gone through this process of adopting certain disclosure standards, and committed to certain disclosures on an ongoing basis around how they're managing their token supply, who's making decisions, how do they actually manage updates of the code, where do they communicate these updates? You know, very, very remedial things, but they're important. They kind of check the box in lieu of another credentialing body, the SCC and kind of the major exchanges when a company goes public. You know a public company has gone through certain checks in order to get through the S-1 process.
Ryan Selkis:	36:44	When you're talking about a global asset class, you don't have that because you have no global regulator. And because you have no global regulator, there's no way to ordain a global self-regulatory body either that has kind of a common mandate from on high. So how do you reverse engineer that?
Ryan Selkis:	37:01	Well one way might be to create this Token Curated Registry where the registry participants have a vested strategic interest in maintaining this high-quality information resource.
Demetri Kofinas:	37:11	The integrity of the information.

Ryan Selkis:	37:12	And there's practical benefits to standardizing this information as you continue to build up the industry. And so the way that I kind of back into ... Okay, what would the fundamental value be of a Messari token or Token Curated Registry as a whole? I like to joke, well this used to be joke and I now I don't know if it's a joke anymore, but if Trump disbanded the SCC, what would the financial?
Demetri Kofinas:	37:33	Why, he didn't say he was going to do that did he?
Ryan Selkis:	37:36	Yeah, but who knows, right? I guess that's my point.
Demetri Kofinas:	37:40	I was like, wait a minute. I try to avoid the news, but I didn't hear that one.
Ryan Selkis:	37:43	No, no, but I mean it certainly would not even crack the top ten in terms of bad shit crazy stuff that he's done, right? But if he did want to disband the SCC, what would the financial services community ... You know what would Bloomberg and Reuters and SNP and all these other financial data companies pay to maintain some semblance of the Edgar Database? Right, this common data library that basically all these services sit on top of and serves as a common benchmark across financial services. You know, Bloomberg alone, is a $50 billion financial data company.
Demetri Kofinas:	38:13	Yeah.
Ryan Selkis:	38:13	So what's the intrinsic value of Edgar, and annual reporting and quarterly reporting, and accepted accounting?
Demetri Kofinas:	38:18	No totally, totally.
Ryan Selkis:	38:20	It's in the billions, right? So there is some kind of lower bound in terms of how you might price that information resource if it hits a certain scale, and that's really what we're after.
Ryan Selkis:	38:28	But I guess the last part, because I'm always super cautious to add this whenever it's a public podcast or interview ... The only people that we are interested in actually selling this to would be the actual users and kind of the strategic entities that would be interested in it and have vested interest in cleaning up the industry's information problem.
Ryan Selkis:	38:46	So early on we would only look at accredited investors and usually institutions. So whether they have the funds, the exchanges, the underwriters of this token economy. You know,

		the people that are actually maybe regulate-able entities that really should invest in a self-regulatory mechanism and try to grow this information resource on a more organic basis. So this is the top-down alternative.
Demetri Kofinas:	39:09	Let's talk about the token economics here. So high level, the value is that you're creating this list, as you said, something that's very valuable that you need or that you would want to have if you didn't in say already provided by the SCC. But you there's additional data as well, you know, that various companies can pull from or if you're looking to invest.
Demetri Kofinas:	39:27	You have this token. People who want to invest in this eco-system buy the token, what else is the token used for in this mechanism? I assume you need it in order to contribute to the --
Ryan Selkis:	39:38	So the projects themselves would actually apply to the registry, just like a college admission's process, right? You would fill out your application. You pay your application fee, that doesn't guarantee acceptance, right?
Demetri Kofinas:	39:50	You pay it obviously in the native token?
Ryan Selkis:	39:52	Well it could or it could not be. Yeah, it could be U.S. dollars or Stablecoin or Ether or what have you. But regardless what happens when you actually get accepted into the registry, is we would use our token as the bounty reserve, right? So you've basically gained acceptance. Say it's a $25000 application fee, right? The $25000 would go to all of the token holders that actually voted and validated the application and said, "Yes, this is a good project. This should be admitted to the list."
Ryan Selkis:	40:22	And by the way, those same voters also collect fees if they reject a given project which is kind of clearly fraudulent. So the incentives are kind of aligned for projects, they're not just like half-ass application-
Demetri Kofinas:	40:33	So you're not incentivized to swing one way or the other?
Ryan Selkis:	40:36	Yeah, exactly as a voter. And actually you're incentivized to vote honestly because if you screw around you just let anyone onto the list, then the overall value of that credential goes down so no one else will apply and the long-term intrinsic value of the information resource goes down, so it's not really interesting from a long-term perspective. But you can't reject everybody either because otherwise no one's going to want to apply

because you're basically stealing their money and they have nothing to show for it. So it's a nice balance and we're still kind of working through some of the intricacies.

Demetri Kofinas: 41:04 That's usually how that would work though in practice, because like you said, this is decentralized. It wouldn't be one authority that would say, "Listen guys, you know you're rejecting too many people, we're going to tip into the place of insolvency here."

Ryan Selkis: 41:14 Yeah, and this has been the problem with kind of early iterations of Token Curated Registries. So there are kind of two problems. One it's the initial distribution problem, which is how do you ensure that this is widely distributed and the power's not concentrated in the hands of a few people? And the one easiest way to solve for that is-

Demetri Kofinas: 41:31 Is that because your vote is proportional to the amount of tokens you own?

Ryan Selkis: 41:34 Exactly, mm-hmm (affirmative). So a very simple way that we're solving for it is we're selling this over probably a four or five year period, right? And so we will basically start with 100% token reserve, not be able to vote our own treasury tokens, but only kind of distribute it to other strategic entities over time.

Ryan Selkis: 41:52 And some will say, "Well that sounds very centralized." It is, I don't think that you can just go from centralized to decentralized at this point without any higher profile project, they're just going to get corrupted.

Demetri Kofinas: 42:02 Also, I don't know how you feel about this, but I hate the way in which the word decentralized becomes synonymous with like holy and wonderful, and centralized is the devil, horrible.

Demetri Kofinas: 42:14 In some ways, from a philosophical standpoint, you could argue that there is no purely decentralized system that can ever exist.

Ryan Selkis: 42:22 Yes.

Demetri Kofinas: 42:23 So anyway it sounds like we're in alignment on that one, but go ahead Ryan.

Ryan Selkis: 42:29 Yes, I think that's one consideration. As we think about the new incentives for the token holders, why would you vote is a question you also have in Token Curated Registries.

Ryan Selkis:	42:40	So I'll go back to the university example. In the TCR, the credentialing body, the governors of the university at the end of the day, they're there to maintain the integrity of the institution and the credential. In reality, they don't actually admit candidates, right? They delegate that out to sub-specialists that are on the admission's council. I mean the admission's council do that kind of for hire.
Ryan Selkis:	43:03	So what we've envisioned is a system where initially we would be the primary validator of projects that are coming in and applying. The early token holders would delegate their votes to us if they choose because they just don't really feel like doing the work themselves, and we would become kind of the single source of truth and final arbiter of who makes it into the system or not.
Ryan Selkis:	43:24	Now over time we would like-
Demetri Kofinas:	43:26	Delegated curation.
Ryan Selkis:	43:28	Yes, now over time, we'd like competition, right? So I think ultimately, I would love to see ... And I know people aren't going to love this example, but ideally, you'd like to see something like a big four, right? Like some healthy competition between curators that will-
Demetri Kofinas:	43:43	Interesting.
Ryan Selkis:	43:44	That will basically compete based on their track record and their fees for validation work and they earn money that way. Maybe they actually earn it off-chain too directly from the projects because the projects might say, "Hey, help us prep this."
Ryan Selkis:	43:56	And we're not talking about massive 10Ks or S-1s, instead I think what we'd be talking about over time is kind of a fragmentation of software vendors that are going to automate different parts of the reporting process so that anything that you would need to disclose in order to be part of this registry, this white list, you might be able to just automatically disclose via smart contracts or developed by any number of vendors.
Ryan Selkis:	44:22	So we could certainly write some of those, automate the reporting of certain requirements that the community dictates are necessary to make it onto the list. But it could just easily be any third party. So we'll work with anybody and the system will work with anybody that's going to add value and kind of reduce the friction of reporting.

Ryan Selkis:	44:42	So you don't just create this new parallel financial system, which is the same shit that we have today, but instead maybe obviates the entire need for a 10K or 10Q because information is just as closed in real time automatically and it just percolates out to any other third party data service or a financial service which is actually accessing this information.
Demetri Kofinas:	45:02	It's interesting listening to you talk. I mean the first thing I was thinking about was delegated proof of stake and some of these alternative models where you own the token or the currency, but you delegate the work or the ... Well, in the case of delegated proof of stake of the Sybil Task Resistance functionality.
Demetri Kofinas:	45:18	But a larger point listening to you talk, I was thinking about how the idea would be, and this is not just with your project, I've actually read a number of projects that sort of take a similar approach for different products or industries, where you use the token as a way to get people to have a stake in the system, but ultimately expertise matters.
Demetri Kofinas:	45:39	And when you think about that, it really comes down to what is the quality of the thing you're creating or the content you're creating, or the product that you've built? And if that's good enough, you can see how this industry ... When I say industry now, I mean this second layer of the internet. This BLT layer, if/when it's successful could sort of like a switch in terms of the swiftness with which the capital from the traditional economy would begin to flow into this part of the economy for exactly that sort of reason.
Demetri Kofinas:	46:10	I mean, anyone can understand that idea that you would have these large experts, you said the big four, but experts that would be able to do this job, but because of the way that the capital flows into the project, it makes sense for them to do that.
Ryan Selkis:	46:23	And when I say big four, the big four don't have a monopoly in accounting.
Demetri Kofinas:	46:28	Right.
Ryan Selkis:	46:28	There are many other smaller vendors.
Demetri Kofinas:	46:31	Right, but the same-

Ryan Selkis:	46:31	But the way that this is naturally going to break out no matter what you're talking about in these decentralized systems, there's always going to be a parallel-type of distribution between the top five entities that are, in this case, you know providing validation work. In Bitcoin's case, mining, right?
Ryan Selkis:	46:45	Like you're always going to have concentration in terms of the most active users or most active entities that are providing certain services, so I don't think that's a problem. But as long as it's very easy to compete and very easy to keep those parties in check and they don't become as entrenched in these networks if they act badly.
Ryan Selkis:	47:03	I think reducing the switching costs is a pretty important component of this because if we as a validator screw up and we just start taking bribes from people under the table to list on the registry, we should basically lose 100% market share over night because it should be very easy for people to switch our proxy to another more honest entity organization. That to me is really interesting. Like adding liquidity to information in governance, not just the financial assets themselves.
Demetri Kofinas:	47:29	That's an interesting way of putting it. What you're saying, if I understand correctly, when you say adding liquidity, is another way ... Maybe not the same thing, but what you're getting at is to be able to get the most accurate pricing of information.
Ryan Selkis:	47:41	That's right. Not necessarily just pricing information, you know any information about the project.
Demetri Kofinas:	47:46	Right, but what I mean is by having those switching costs, by having that liquidity, you're going to get a more objective view of the information. When I say pricing, that's what I mean by that.
Demetri Kofinas:	47:55	So where do you think we are today and what do you see sort of for the next two to five year horizon? What is this industry going to look like? How much progress are we going to see and what role are regulators going to play in that process?
Ryan Selkis:	48:10	The silver lining with any bubble is that the capitals raised generally gets plowed back into infrastructure.
Demetri Kofinas:	48:18	Right, we saw that with the dark bandwidth in the late 90s.
Ryan Selkis:	48:21	Yeah, it's not just bandwidth, it's kind of every new technology, right? Railroads-

Demetri Kofinas:	48:26	Except for the mortgage boom. That was a total disaster.
Ryan Selkis:	48:29	Exactly.
Demetri Kofinas:	48:30	Because that was a financial market bubble.
Ryan Selkis:	48:31	And you could argue this is a financial market bubble too in some respects, but in the other you've got a whole lot of dry powder sitting on these project balance sheets. You've got a whole lot of dry powder that's getting committed to new crypto-specific funds. And so you that-
Demetri Kofinas:	48:47	A lot of fraud though man. When you're talking there, I'm just thinking about in both those cases, a lot of groups that raise a lot of money and went to Bermuda --
Ryan Selkis:	48:54	Well that's where the regulators -- that's where the regulators come --
Demetri Kofinas:	48:57	A lot of these funds that are raising money that are saying that they're going to be decentralized crypto funds or they're just experts in raising crypto and they don't know anything.
Ryan Selkis:	49:05	My first boss used to say, "When you go to party, you don't want to be the drunk guy, you don't want to be the sober guy", right?
Demetri Kofinas:	49:09	I like that.
Ryan Selkis:	49:09	So the ones that are a little bit too by the book in this industry are just going to be waiting, and waiting, and waiting, and waiting, and never get anything done.
Demetri Kofinas:	49:17	Right.
Ryan Selkis:	49:17	So I do think that there's something to be said for pushing the envelope a little bit if you're doing it the right way. Right, if it's ethical. Like look at Air B&B, look at-
Demetri Kofinas:	49:24	A little more Tesla for yeah --
Ryan Selkis:	49:28	Well, you know, but ride sharing and apartment sharing, right? Technically illegal, I don't think anyone would argue that it's unethical, right?
Ryan Selkis:	49:35	So I think that the ethical teams, the forward-thinking teams, the ones that are trying to create alignment between their

users, their investors, their developers, right, their broader communities, and generally do things the right way and be transparent, they're going to get rewarded and, yeah, they're going to get away with technically illegal behavior because they're not doing anything malicious.

Ryan Selkis: 49:53 The drunk guys, the ones that are absconding with tens of millions of dollars to Bermuda or Tahiti or wherever, they're going to get pursued and hopefully go to jail for a long time. So that I think is the role the regulators have been playing and will continue to play, and that's a good thing.

Demetri Kofinas: 50:08 Are they really going to be able to regulate this industry though? How little-

Ryan Selkis: 50:11 I mean fraud is fraud.

Demetri Kofinas: 50:13 Right.

Ryan Selkis: 50:13 Fraud is fraud. If you've raised $10 million and you do nothing with it except for leave and kind of pay yourself this enormous salary and then-

Demetri Kofinas: 50:21 That's also a problem though. If you leave, you're out of the jurisdiction, what are the extradition treaties? I mean, it's a challenge. I'd say it's more challenging though than let's say fraud in financial markets where you've got a lot of these companies that are domiciled in the United States.

Ryan Selkis: 50:36 I think fraud is fraud. I think ultimately a lot of these folks will end up ... The worse actors, not all of them, but many of them will face the repercussions and that's going to keep the regulators plenty busy quite frankly. So when we talk to regulators, whether it's down in D.C. or internationally ... You know, it was funny, I won't say which agency it was, but we went down there and the punchline of the meeting, they kind of said, "Okay, so what's your agenda?" I was like, "We don't really have one, we're just telling you what we're up to because we're a data company and we think that we can help long-term, and we'd like to build a relationship, and show you the tools that we have that can help you. When the time comes, if you have nice things to say about us then great. But we really don't have an agenda because we're not beholding to you."

Ryan Selkis: 51:15 We're not really in a position right now, especially you know pre even thinking about selling the token to really be at the mercy

of any regulator. And when we do, like I said, it's going to look a lot like a security even if it's not actually a security.

Demetri Kofinas: 51:27 Are you even in touch at all with the guys at Chainalysis?

Ryan Selkis: 51:30 Yeah, so we had actually invested in them at TCJ.

Demetri Kofinas: 51:33 Okay.

Ryan Selkis: 51:34 So I know those guys well, Johnathon and Michael.

Demetri Kofinas: 51:36 Because they're doing a lot of similar type of work.

Ryan Selkis: 51:37 Yeah, they're doing a lot of on-chain transaction analyses and working with all the three-letter agencies on actually tracking transactions and hoping to catch illicit actions.

Demetri Kofinas: 51:49 When are you guys launching the token? You haven't launched the token yet have you?

Ryan Selkis: 51:51 No. I mean, the token I see as an enabling feature to a lot of the other things that we're doing. We can brute force a lot of the other research. We can build a community of contributors. We can hire a small team of analysts and content curators. We can basically attract audience and eyeballs, and build community as a purely centralized company.

Demetri Kofinas: 52:11 That's all off money you've raised privately?

Ryan Selkis: 52:14 Yeah, I mean we raise a small seed fund. We are not cash positive right now, so I'm sure we'll be going out to market at some point. But I always have to be careful about that because the U.S. investor world is so weird.

Demetri Kofinas: 52:26 Sure, but the idea ... You should be scared all the time. We all are.

Ryan Selkis: 52:30 Which is kind of, it's so fucked up, right?

Demetri Kofinas: 52:32 Yeah, it is fucked up.

Ryan Selkis: 52:33 And that's why this industry [crosstalk 00:52:35].

Demetri Kofinas: 52:35 Super. But just to be clear, you've raised a certain amount of capital. You've been deploying that in order to grow-

Ryan Selkis: 52:40 Just to build a foundation.

Demetri Kofinas:	52:40	A basic foundation, and eventually the idea is that you're going to release the token and that is going to create a token economy that's going to be able to fund the curation and the growth of this product.
Ryan Selkis:	52:50	Yes.
Demetri Kofinas:	52:50	Do you have any idea when that might be?
Ryan Selkis:	52:53	Feasibly speaking, it won't be before 2019 for sure.
Demetri Kofinas:	52:56	Okay.
Ryan Selkis:	52:57	Because we're kind of on step three of ten to get there. The company's six months old. We started in January. Most of the team has been around for two or three months, so everybody is still kind of scaling up. I think we're moving pretty quickly, but it's just going to take some time.
Ryan Selkis:	53:13	When it comes to actually managing the Token Curated Registry, that primitive itself is so nascent, I'm in no rush to be at the very bleeding edge and make a shit ton of mistakes and then ultimately shoot ourselves in foot. I'd rather watch a bunch of other projects/experiments because it's not absolutely critical to do right now, wait as long as possible until we actually go live with the network itself. And we can afford to do that if we have these larger accredited institutional investors.
Demetri Kofinas:	53:41	I mean it's definitely needed. Generally speaking, anything that brings a semblance of order to fleshing out the picture of what's happening in this space, what's happened and what's happening in real time, will be super useful and necessary, you know especially for potential investors.
Demetri Kofinas:	53:56	Ryan, thank you so much for coming on the show.
Ryan Selkis:	53:58	Absolutely. Thank you for having me, it was good fun.
Demetri Kofinas:	54:01	And that was my episode with Ryan Selkis. I want to thank Ryan for being on my program. For more information about today's episode or if you want easy access to related programming, visit our website at hiddenforces.io and subscribe to our free email list.
Demetri Kofinas:	54:17	If you're a regular listener to the show, take a moment to review us on Apple podcasts. Each review helps more people

find the show and join our amazing community. Today's episode was produced by me and edited by Stylianos Nicolaou.

Demetri Kofinas: 54:31 For more episodes, you can check out our website at hiddenforces.io. Join the conversation at Facebook, Twitter, and Instagram at Hidden Forces Pod or send me an email. As always, thanks for listening, we'll see you next week.