

**EPISODE 1209**

[INTRODUCTION]

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**FT:** Welcome to So Money, everybody. I'm your host, Farnoosh Torabi. It is here. We have arrived. The time has come. We are doing this, crypto week. Are you ready? I warned you, right? I told you this was going to come and I produced four episodes for us, four very I find informative, thoughtful and important episodes. A lot of the attention right now on crypto currency is on the hot investment of the day, Elon Musk's tweets. I'm over that. I want to talk about what is this world that we are living in that commands the need for something so technologically advanced, what are the implications of crypto, how is this maybe going to close wealth gaps. I want to talk about the deep stuff that's why I have this podcast. I know that you're going to be along for the ride.

We're going to dive deep into this cryptic world of bitcoin and blockchain this week, NFTs and much more. I have some fantastic guest lined up for us who are knee-deep in this space, but at the same time, I have a very what I find to be thoughtful, and measured and insightful approach to explaining this — I don't know what you call it. Phenomenon? We will have for dedicated episodes. I couldn't squeeze it all into just three. I hope you'll stick around for all of them and I strongly encourage that you listen in chronological order, because we're going to be layering on the knowledge as we go. My goal though is that by this weekend, if you stick with us, we'll all be having very thoughtful conversations about crypto with a friend over brunch or at a backyard barbecue. Maybe even, we'll have a better handle on how to invest if that is something that we discovered this week that we want to participate in. We want to participate in cryptocurrency. It's not for everybody.

Along the way, very important, please send me your questions for Friday. We're going to still have a dedicated Ask Farnoosh crypto addition at the end of the week and I'm going to have my friend who is a certified financial planner, Hilary Hendershott join us to talk about her approach, the advice she's giving clients, how to invest wisely in this space. Remember, you can direct message me on Instagram, you can email me, [farnoosh@somoneypodcasts.com](mailto:farnoosh@somoneypodcasts.com) and you can

also go to the website, [somonypodcast.com](http://somonypodcast.com) and click on Ask Farnoosh and send me your thoughts there.

We begin today with our foundation for crypto week, a conversation with two highly knowledgeable guests. They're going to provide us with the basics, what is the history of crypto, what is it, what is the blockchain, why should we care, why do you want to know this. My guests are Kiana Danial, author of *Cryptocurrency Investing for Dummies*, she is also the CEO of Invest Diva, an award-winning internationally recognized personal investing in wealth management expert. My colleague is also joining us, John Puterbaugh, who is the editorial director for NextAdvisor, a personal-finance publication in partnership with Time magazine. John has more than 10 years of experience leading editorial teams in personal finance, consumer advocacy and local news. He has written extensively about cryptocurrency for NextAdvisor. Here we go.

[INTERVIEW]

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**FT:** Kiana Danial and John Puterbaugh, welcome to So Money, our inaugural episode on crypto for crypto week. Honor to have you.

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**KD:** Thank you so much for having us.

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**JB:** The pleasure is mine.

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**FT:** Yes. I thought you too were the real ideal guest to help kick us off. I really appreciate your individual approaches to this topic, both researched, measured and calm. Calm is the keyword

because there is so much hype in this space as we know. It's something that I feel has become quite polarizing as a result. You're either super interested in cryptocurrency, or you're really indifferent or may be like me, like there was a period of time where you are appalled by the entire idea of it, but you've come around because you realized it's not going anywhere. This episode, I'm really excited, it's going to help kick us off for the entire week of crypto week on So Money to set the groundwork and the foundation for just understanding the basics, what is cryptocurrency, what is the blockchain, how does it work.

Then later in the week, listeners, we're going to explore what I think is interesting, which is the implications and the impact of crypto on the environment, on the economies around the globe, on technology, on commerce. Then Friday, if you've got questions, send them in because we're going to answer your crypto questions on Friday.

Again, welcome to the show you two. Let's just go back in time and understand the history. Kiana, you're an expert on this, you've written the ultimate book. *Cryptocurrency Investing for Dummies*. I was reading online an excerpt from your book where you talked about the beginnings of bitcoin. Bitcoin as we know, the first ever cryptocurrency. It was invented in 2008 — or I should say, release the idea of bitcoin was released in 2008 by an anonymous entity, Satoshi Nakamoto. He described it then as a purely peer-to-peer version of electronic money. Maybe you could help us understand what is bitcoin, what is the blockchain.

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**KD:** Right. That is a very in-depth question. If I wanted to actually explain what the blockchain is, there are books about it that are like 300 pages to explain how blockchain technology works. But simply put, blockchain is a ledger and it's a decentralized ledger, where therefore we call the peer-to-peer. Which means there is no authority, or one entity that is just monitoring it and is in charge of like a bank or a government. It is the people on the blockchain who are trying to resolve this mathematical equation, and as a result getting rewarded with this thing called bitcoin.

I always like to tell this very simple example as bitcoin is just a byproduct of blockchain. Bitcoin to blockchain is like email to the Internet. There are so many things you can do with the Internet.

You can go on the internet and you can actually record this podcast. You can watch movies. You can do all these things, but you can also send an email. Bitcoin is like that. There are so many things you can do with blockchain technology. From what I'm understanding, the Satoshi Nakamoto entity released bitcoin to just showcase the power of blockchain and saying, "You know what, this one is a product so you can use blockchain for other things as well and bitcoin is one of them."

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**FT:** I see. Blockchain is really the infrastructure compared to what we currently depend on, which is the monetary — our monetary system, really the centralization of that is the Federal Reserve. That is our entity, our physical human run engine that manages our cashflow in this country. We'll get into in a minute kind of the why behind this, like why do we need this. But I think what's so annoying about crypto currency is that it is cryptic. On the one hand, we wanted cryptocurrency because we want transparency, we want the blockchain to be this peer-to-peer led decentralized system, which is sounds wonderful in a euphoric world. But it is cryptic and that, for example, the person who released bitcoin is anonymous. Why have that be part of the narrative? Why does Satoshi Nakamoto want to be anonymous?

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**KD:** Why is Satoshi Nakamoto is anonymous? We don't know. He could be a Russian spy or a Chinese spy. That is yet to be determined. But bitcoins, blockchain itself is actually not anonymous. There is this myth around, "Oh my gosh! I'm going to send bitcoins to wherever I want and nobody is going to know." Nope, you can actually if you have a powerful enough computer, you can download the whole blockchain. All the transactions are actually incredibly transparent. Therefore, because everybody has access to it, everybody is kind of the trustee of this blockchain. Therefore, it's actually not anonymous. There are blockchain technologies and other cryptocurrencies that are optimized for being anonymous, like Monero. But bitcoin is actually not that. I don't know if Satoshi Nakamoto is a good person or bad person. But the fact that they're anonymous, I actually like it because we're not actually controlling it.

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**FT:** Why do we need this? Many of my listeners want to know, they asked this many times when I asked them on Instagram, what do you want to know about crypto? They said, “Why should I care?” Maybe to help them understand this and I lean on you two, is to go back in time again, back to 2008, which was — let’s remember, that was the height of the financial crisis. What do you believe prompted the development of bitcoin at that time? What was the problem that it was trying to solve? We already talked about, touch on a little bit this idea of decentralization, transparency, which are, I would say, two qualities that we don’t have currently. But what are the benefits?

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**KD:** 2008 is the time that it came out. Actually, let me tell you a story that you might actually relate to, which actually goes beyond 2008. It goes to 1979, the Iranian Revolution.

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**FT:** We’re both Iranian, listeners. Kiana, you actually lived in Iran for many years. You were born there.

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**KD:** Yes. I was born and raised in Iran to a Jewish family. My dad prior to the revolution, he was a CEO of a very successful company, and he had a lot of assets with the Iranian government, and then the banks, and gold and whatever it was. After the revolution happened, the new Iranian regime took over all of his assets and froze his bank accounts. Because they have the authority, everything was in their power.

As I was learning about blockchain and bitcoin, I was like, “Oh my God! I can literally have all of my bitcoin in this tiny little wallet that nobody can have access to and nobody can actually seize it.” If my dad had even a fraction of his assets in cryptocurrency back then, if it existed, he didn’t have to start over. I didn’t have to like be born in this chaos, and no money and all the things. To me, that is the power of cryptocurrency that really spoke to me. I feel like a lot of people have

their own reason. There are inflationary reasons of course, that we can get into — I think John can get into that as well. But for me, that is the biggest reason. That I'm like, "You know what? I'm always going to happen cryptocurrency as a part of my portfolio."

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**JP:** Yeah. I love that story, Kiana. She told me in a previous conversation that I think as a person living in the US, that sort of turned a light bulb on for me to realize in another country, in another time and place where things are much less stable, it gives you another avenue to protect yourself. It was really an interesting story to learn for me.

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**FT:** Yeah. I can totally understand that. I've also read that what bitcoin does or I should say cryptocurrency and the blockchain provides that our current system does not is an opportunity to create more equity in the financial markets. Leveling the playing field so to speak as far as payments, as far as payments go, as far as transactions go, access to cash or I should say money. What is cash anymore? But John, you've done so much reporting on this space. What are some of the other attributes or benefits that the insiders are touting?

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**JP:** There are so many things different people like about it. This what's been really interesting to try and sort through it. I kind of want to stir that in a slightly different direction where it's like, there's all this potential. It's the decentralized finance, it's P2P, it's the future of currency, all these things. One of the things I just find so interesting though is, most people don't really understand it or know what it is, or know why they should use it, or have it or buy it. Is it an investment? Do you spend money with it? Nobody really knows. I think for all of these reasons that people love it, and you can find people who really love it. It's not hard. I can't yet get to that. That's what I'm trying to do with our coverage.

What we're trying to do is answer the question for sort of retirement-minded investors. Why should this be something I buy, have, understand? How do I use it? I think rather than sort of

explain why it's good in all these different ways, I think the thing I'm trying to figure out is, what has to happen to make it even accessible, understandable and give people a reason to use it, or buy it or know what they're supposed to do it even?

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**FT:** Curious, when you are asking these questions, do you feel like you're getting good answers or is it sort of more skewed towards all the hype and Hoopla and no one is really stopping to think about critically what the implications are, how to really be thoughtful about this, as opposed to gamble in this market space, which seems like a lot of people are doing.

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**JP:** I think a lot of smart people a lot of smart people are thinking a lot about how it fits. I think Kiana alluded to it. We've heard repeatedly from experts who are saying, "Crypto is interesting, but one person describes it as flash in the pan, blockchain is the real jewel of cryptocurrency. Blockchain is the thing that will change everything. So we've approached it probably more narrowly in terms of, we are thinking about retirement-minded investors. What should you have in place before you would buy crypto or do anything with crypto? Then if you are in that place, how should you think about it? How much of it should you put into your portfolio? Things like that.

The other thing I keep hearing is, we keep hearing is, "Oh blockchain! Blockchain is transformative technology. It's going to change everything." I'm getting closer to that explanation of how exactly it's going to change everything. But major banks have blockchain divisions, they have people leading research departments to understand how blockchain can change their systems and their processes to become more efficient, safer, decentralized so that it's not on a server on one place, or run by one person.

I think we just really look at it in those two ways. You're an investor, what should you know? Does it belong in the portfolio? Then also, we keep hearing blockchain is the real thing that you should be paying attention to no matter what happens with crypto. We're also trying to figure out how that exactly changes things for people.

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**FT:** Full disclosure. I just invested my first crypto-related investment that I know of, because who knows. Maybe there's some crypto-related assets in some of the ETFs I hold. That I proactively purchased was this — I'll put it on the website. This is not a recommendation. I am not allowed to make recommendations on investments. But full transparency, having researched the space, and learned, and listened to people like you, I'm like, yeah, blockchain seems to be like the thing that's not going to go away. Because as Kiana explained, that is — like the internet is not going to go away. The infrastructure, the planet in which all these cryptocurrencies exist seems like it has a lot of attributes. I appreciate the merits of it, and so I invested in an ETF that invests in companies that again invest in the blockchain. It includes companies like PayPal, where there may be developing some things within their company to participate more in blockchain and things like that. That was my sort of educated bet.

Again, a gamble but it's an ETF, and I put a little bit of money in it and I'm just a ride it out for a decade or so and see how I do. For me, it's just more of — I wanted to participate in this, but do it thoughtfully. We'll get to more of what your experts are telling you, John, in terms of retirement portfolios. But you've also done some work looking at the implications of this and bitcoin and blockchain are not perfect. The system is vulnerable to breakdowns, to crime, to fraud, just like our current system. Because after all, human beings are behind it. I was listening to the New York Times podcast and they explained it like, don't think that just because this is different from what we have currently, that it's immune to crime and fraud. Because at the end of the day, bitcoin or blockchain, it is a thing. It may be virtual, but it's still a thing that needs humans behind it for it to work. Humans as we know, we're humans so we do some bad deed sometimes.

For the whole of 2020, losses in the crypto sector through fraud and crime topped 1.9 billion. That is down from the previous yea., because infrastructures improving, there is a boost in security systems across the landscape. But John, what do you think are some of the problems or issues with the blockchain? Kiana, curious to get your take on this too, the problems with crypto as it exists today. What are the areas that still need improvement?

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**JP:** I've been thinking a lot about what holds it back, what stops it from becoming the next monetary system, the currency of the future as you hear people talking about it. I actually think — this isn't a technical answer but I think the biggest thing that's holding it back is adoption, slow adoption by institutions, everyday consumers. Compared to the stock market, it's just so new, it's so untested, it makes it very unpredictable, very risky. People don't know whether it's a currency or an investment. It's kind of maybe a little of both, depending on who and where you ask, things like that.

For many people, I think what holds it back is, they don't know what it is, how it's supposed to work, what they're supposed to do with it. They're curious. It's a buzzy new story so they're very interested, they're following it. But until more people in businesses have reason to see the benefits of buying it, and using it, I'm just not sure there's any chance of it taking over as a primary, or even a secondary monetary system. I think that's the thing that holds it back more than any of these technical things to my view.

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**FT:** The irony being that we still need the participation and the backing of things like the SEC, the government, all of our centralized infrastructures. Kiana, talk about, is there a world where we could live in hybrid with the blockchain and maybe even the central bank. I like anything hybrid, even with like robo-advisors, I'm like, "Do they have a financial advisor on staff just in case I need to talk to human being and not a bot?"

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**KD:** It really comes down to the level of comfort and change is always scary for everybody. We are humans, like we don't like change. Ideally, actually, I would prefer for the SEC or the FED not to get involved. But at the same time, yes, I would prefer to purchase my bitcoin or my crypto assets from an exchange that is regulated by the SEC. Because yeah, I don't want — we don't know how to verify. That's the problem. We like filters, like we have access to all this information on the web, but who are we to say that this exchange is better than the other one.

Then yes, when an entity comes in, we are more likely to actually adopt and adoption is a big deal for a lot of the cryptocurrencies.

Now, with bitcoin, I actually would say, the adoption is already there. Adoption and in fact that majority of participants in the cryptocurrency industry think and believe that bitcoin is a value asset. It is not optimized as a cryptocurrency, as you mentioned, it has a lot of problems. Even bitcoin blockchain itself can be attacked and we have all these different kinds of attacks that if a massive entity wants to attack and then scam everybody, they can. But the likelihood of that is actually very, very low.

Bitcoin itself is a value asset, because of the number of it being —

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**FT:** Finite.

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**KD:** Yeah, finite. Unlike the US dollar, unlike anything, unlike even, you know exactly how many bitcoins are going to be there ever. Majority of it is already mined, so the participations already being done. Out of 21 million bitcoins, I believe it's 18 million of it is already mined. It's already done. The supply and demand is there and there is enough people in my opinion believing enough. In bitcoin, they are just holding onto their bitcoin probably forever, that it's going to give its value.

To top that off to the reason why I believe bitcoin is something that people who want to have a separate kind of allocation in the portfolio. They might want to consider it, also just consider this. If you buy gold, you might want to consider a bitcoin.

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**FT:** There are so many types of crypto too, we've talked about bitcoin but there's also Ethereum, dogecoin, ripple. How do you tell them apart? They're so many.

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**KD:** Right. Do you know how you talked about blockchain is the thing, like I want to be exposed to the blockchain and companies that invest in blockchain because blockchain is the thing and cryptocurrency is just like — we don't know what about it. How I actually look at it is like, how you buy shares of companies. Tesla is the thing. Tesla cars are the tangible things. But you purchased Tesla stocks because they are a part of that company and it gives you access to the owners of that technology, of the Nvidia technology, of the Google technology, of the Amazon technology.

To me, investing in a cryptocurrency, a byproduct of a blockchain that is actually changing the world and helping us living better, and monetize better, like the supply chain, track the supply chain better, track our healthcare system better. Then a way to invest in that infrastructure if the company that is kind of building that infrastructure is not public, then cryptocurrency, the byproduct of the blockchain could be what exposes you to that blockchain.

Did I answer your question? I went completely —

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**FT:** Yeah, I understand. Think of these crypto currencies as publicly traded companies essentially, where they are — you have to really understand what their use case is or in a case with the companies, sort of what the company mission is and how it's being run. You have to make predictions about where it's going, and then maybe invest in that company and rider that wave, similar to these currencies. Would you compare it to other kinds of currency? Like you can invest in the yuan, you can invest in the euro, you can invest in the US dollar. Can you make a comparison?

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**KD:** And you're betting on that country doing well when you're investing. Actually, my background is foreign-exchange trading. Cryptocurrency is actually a hybrid and I know you like

the word hybrid. It's a hybrid between stocks and currency in my opinion. Not only you can purchase cryptocurrencies and just store them in your wallet, you can actually trade them exactly like you do with foreign-exchange trading against each other. You can't trade bitcoin for Ethereum, you can trade Ethereum for Ripple and all of these things.

That is a completely different thing, because foreign exchange trading is not investing, it's not retirement planning, it's basically gambling so as to cryptocurrency trading in my opinion. That is something that I actually advise people not to do. I don't have bias. I educate people not to do. Personally, I invest in cryptocurrencies as an investment, as a byproduct of the blockchain technology. But you can go both ways. That's why the hype and FOMO in cryptocurrency is so high because it can go both ways.

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**FT:** So much FOMO. We have a few more questions I'm hoping to tackle. Whatever we don't get to, we have a whole week to discuss with other guests, so don't feel like you have to give me all the answers here. But really, let's touch on bitcoin mining because John brought that up earlier. This is controversial. It's the process by which bitcoins are released into circulation. A lot of people are concerned about the environmental impact of this. How does mining work and I just wonder like if it's so detrimental to our earth, why are we even talking about this anymore and how is it sustainable?

We know Elon Musk recently changed his tune on this, saying, "You can buy a Tesla with bitcoin." Actually, no, because he wants to do good for the world, environmentally speaking. It is controversial. Can someone explain bitcoin mining? Maybe John, do you want to take this one?

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**JP:** I'll give it a try, all right. To our research and everything we've heard. So basically like, very smart people create what are essentially these supercomputers to mine new bitcoin, which is organized into blocks that have a unique code. They set these supercomputers up. They call them nodes in the network. They use algorithms to process as many of these code possibilities as quickly as possible. Then when they land on these codes, called the hash for a block that

organizes bitcoin or any crypto potentially, it releases new bitcoin, which then enters the market. Without getting into the, is it the big problem for the environment or is it not? It's reasonable why there would be a question and a concern that it could be. These nodes require significant amounts of power to run their operations. They're going to set up around surfacing new bitcoin, which it's just using a lot of power.

Of course, Elon Musk, we saw that he says something, he does something, it changes the market in ways that I wouldn't say is cut-and-dried as you might think when you read the news of these. People have different opinions on how much sway he really has when he does this. Or even whether this move was really about his concern for the environment at all. There are lots of different opinions on that. When you think about the logistics of it, big, huge powerful computers, many of them, lots of power. Anyone who's seen a server room can sort of imagine. They used to have server rooms, right? It wasn't all run by Google and Amazon and everything. But anyone who has seen a server room and the air conditioning that goes in to keeping it cool, like imagine that. It's reasonable to question the merits and the value of this as an operation when you think of all the power that's going into that.

I couldn't get into the, is it this big, huge problem? I think it's reasonable to wonder what kind of concern it could be. I think I would leave it at that. Maybe Kiana knows more of the bigger implications of that.

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**FT:** It's definitely an area for improvement, and I think people are paying attention.

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**KD:** Right. Absolutely! It is an area for improvement. You can't improve bitcoin, you have to create a new coin. There are coins who are a lot more environment friendly, there are coins now that are coming up, which are not even mining, they call it farming. It uses your own graphics cards so that you don't have to use a lot of energy. But let's actually go back to bitcoin itself, because that was the big topic. Again, I am on the camp that I think Elon Musk has said it because he heard it and he just wanted to be neutral and not get the heat. Because again,

majority of bitcoin is already mined. Even if we stopped mining bitcoin altogether, that will only add on to this value because of the supply and demand.

Plus, yes, we could say, “Okay. We’re going to be environment-friendly.” It actually does have impacts because of all the energy, but there is no centralized power who can stop people from mining it. China is mining it using other third-world countries’ resources, such as Iran and they’re not going to stop no matter who says what, if Elon Musk says, “Okay. It’s not environment friends.” They’re not going to stop it. Russian is not going to stop. Even if they do, it only adds on to its value in my opinion.

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**FT:** All right. Before we go, how does one invest in crypto simply? I heard there’s like, you need a wallet, there’s Coinbase, which is the app that’s kind of like Robinhood, which is exclusive to cryptocurrency. Can you tell us just simply how to do it? Not to endorse this, but just out of curiosity, how do you build a position in this market? Kiana, you’re the expert. Take it away.

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**KD:** Okay. Number one, I’m going to — I think it’s going to be in five steps, so let’s count. Number one, educate yourself, like don’t go and invest in any cryptocurrency just because you heard of it in this podcast, because you read it in my book or in any other YouTube channel. Actually, go and learn about it and see if this is something you want to back it up exactly the way you would with a stock. If you understand what they’re doing, what change they’re bringing to the world. If you are into healthcare, if you’re into supply chain or even environment-friendly stuff like anonymity, all these things, see which one you want to pick.

With cryptocurrency, it’s actually kind of easy because you can — there are not that as many cryptocurrencies that have made it past the hype and FOMO as they are stocks. Understand that first. That’s step number one.

Step number two, I’m still not getting to the gist. Understand your risk tolerance and understand if you actually want to take this risk, because it is speculative. It’s kind of like the .com bubble

where some of the companies made it and some didn't. Understand that there is going to be a chance, even if you really understand the blockchain and the cryptocurrency, there is going to be chance it's not going to make it.

Step number three, yes, you want to go ahead and open an account with an exchange. My favorite is Coinbase because it is easier to use and it is regulated by the SEC, which we talked about. It's kind of safer than the other ones around. There are other ones around such as Binance, as well as Kracken. They can go ahead and have access to more cryptocurrencies than on Coinbase. Coinbase has a limited number of cryptocurrencies. When you go on Coinbase, it also would recommend that you actually log into Pro Coinbase. Because on coinbase.com, you're only going to be able to buy and it's a little bit limited the things that you can do. But if you go to pro.coinbase.com, you're going to be able to actually set **[inaudible 00:31:00]** orders and do a little bit more cool things. That is that.

Then number four, yes you have to have a wallet, but Coinbase, again, being regulated and everything. As wallet, even though it's not a hard wallet, which we consider to be very secure, it is insured up to \$250,000. For anyone who is only investing below \$250,000 in cryptocurrencies, it's easier to just the leave it there. Because even if they go bankrupt or you get hacked or whatever, they can insure it. For myself, I'm keeping up to \$250,000 in my Coinbase and the rest of them, I've been transferring to my hart wallet.

Now, what is a wallet? It's like a wallet but it's digital. It looks like a USB, and you have to keep it in a safe place. You can just purchase it — some of my favorite ones are Ledger and Trezor. Ledger is a little bit friendlier, and you can just buy it, download the app and then it gives you a code. Once you buy your cryptocurrency, let's say on Coinbase, then you can click on withdraw, and then transfer it to a wallet. It actually kind of walks you through, what is your wallet address. If you already have the address, the wallet, you know what your address is so you just insert it. It takes 48 —

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**FT:** Just like a Dropbox, like a cloud system.

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**KD:** It's kind of like actually wiring money from your bank account to the —

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**FT:** To another.

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**KD:** Yeah. You just have to put in the passcode and it takes 48 hours up to 72 hours for your wallet to get white list, so that is a level of security that I kind of like with Coinbase. It doesn't just let anyone come in, like take your money out of it. Then yeah, voila! You have your money in your wallet.

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**FT:** Okay. Well, before we go. Thank you for that explanation by the way. That was super, super helpful. I disclosed what I'm investing in so far. What are you investing in? Generally, are you investing it all in crypto? John, are you intrigued? Kiana, I know you — I think you are, but tell us a little bit about your positions.

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**JP:** I bought like enough of a few to follow and learn for myself. It is not a significant part of my portfolio. I'm following very conservative, fundamental, old-school advice. But that said, it's easier for me to learn, having a little bit of skin of the game. I've done that. For me, it's been primarily a learning journey kind of drive.

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**FT:** That's smart. I did a video for NextAdvisor, kind of suggesting what you're doing, which is that, if you're interested in crypto, great. It's an alternative asset, accept it like that. It's not going



to make up a majority of your net worth, it shouldn't at least. Do it for more than just to feel cool about it, like there should be another fundamental reason. For you, it's the learning aspect. You're kind of that curious person who wants to — you're getting a lot out of that. For me, I'm really interested in blockchain, so that's where I'm putting a little bit more of my money. What's your philosophy and how are you investing in it, Kiana?

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**KD:** I started out actually kind of like you did, Farnoosh, which was — I was investing in companies who had exposure to cryptocurrencies. Back in the day, I invested in overstock.com, because they were the first online retailer who accept cryptocurrencies. I was investing in all these companies in PayPal. Then as I learn more about it, and I was doing more research about it. I created my investment portfolio the same way I create my stocks portfolio, which is diversified based on categories. Cryptocurrencies and blockchains, they have all these different categories. We have healthcare, we have anonymity, we have supply chain, all these different things.

When I start investing in crypto back in 2018 after the crash, I created this — it's 10% my portfolio. I think 10 to 15. Well now, with the value of it going up and down, it kind of changes. Last month when bitcoin was like really, really high, it actually up to close 20% of my portfolio and then it dropped. But I have about 25 crypto assets. Majority of them are the kind, like bitcoin, and Ethereum and Cardano. The rest of them are kind of allocated equally in other categories that I feel like, "Okay. This is something I want to get behind. This is actually doing something good for the humankind."

I actually did interview some of the heads of this blockchains order than bitcoin and I was like, "Okay. Do I like this?" Actually, getting your skin in the game, and interviewing people and learning more about the people who are in that community helps a lot. That's exactly how I did it, exactly how I create my stocks portfolio. I consider myself a value investor and I know Warren Buffett does not like cryptocurrency, but I actually apply his methodology of value investing to cryptocurrency investing.

[00:36:06]

**FT:** See, this is why I had you both on. I find that your approach is far more researched, more measured, more thoughtful, creative. Exactly who I wanted to spend my time with talking about crypto. I really appreciate your time. I know both of you are on vacation too doing this, so listeners, this is a very special episode of So Money. Both of our guest on vacation, but thought so important to share this information with us. They took a time away from their families, so thank you Kiana and John. Have a great rest of your day.

[00:36:35]

**KD:** Thank you.

[00:36:35]

**JP:** Thank you very much.

[END OF INTERVIEW]

[00:36:39]

**FT:** Thanks for tuning in, everybody. Stay tuned for tomorrow's episode of crypto week, where we're going to be talking about, what will adoption of crypto mean for the world, how is it impacting the world today, but what is the future where crypto becomes more ubiquitous, what will be its impact on the environment, on our economies. Also, I'll be releasing a third episode on Wednesday, how crypto maybe able to help close the wealth gap. My guest is Cleve Mesidor, who is the founder of national Policy Network of Women of Color in Blockchain. Thanks for tuning in and I hope your day is so money.

[END]