

MoS Episode Transcript – Wences Casares

WENCES CASARES: We drive a bus from Buenos Aires around the world, a week a year. We have a lot of fun. It's just the guys get together and drink mate and make many, many miles.

REID HOFFMAN: That's Wences Casares, serial startup founder from Argentina, and he's taking us with him on a yearly journey with a group of lifelong friends. I want you to imagine this beloved bus. It looks like the product of a school bus that got freaky with an RV, and then spent its retirement in the apocalyptic world of Mad Max. ([You can check it out here.](#))

In the run-up to one of their epic trips, Wences got word that the bus had broken down. The repairs weren't difficult, but paying for them was. Especially as Wences was living in California at the time, while the bus was in Argentina.

CASARES: We had to send some money for fixing some things in the bus, and Argentina had shut down Western Union, PayPal, everything. You could send money to the central bank but it was cumbersome, expensive.

HOFFMAN: It looked like their next trip would be stalled until the Argentinian financial system was sorted out. But that could be months, even years. Then a friend made a suggestion.

CASARES: "Have you looked into Bitcoin?"

HOFFMAN: Bitcoin. This was 2011, just two years after the cyber-currency had launched. And Wences was caught off-guard.

CASARES: And I'm supposed to be a tech guy, I'm supposed to be a finance guy, and I had not heard about these things. I go, "What is that?"

And he says, "Oh, well, it's a new currency that you can send money anywhere without third parties."

I was super skeptical and cynical.

HOFFMAN: But that bus wasn't fixing itself. And neither was the Argentinian financial system anytime soon. So Wences decided to give Bitcoin a go. It was the start of a mysterious journey.

CASARES: I found, on Craigslist, an older man who was willing to sell me \$2,000 worth of bitcoin, told me to meet at a cafe, in Palo Alto. We met a guy who looked like Gandalf, and I gave him \$2,000 in cash.

HOFFMAN: Wences didn't exactly trust what Gandalf did next.

CASARES: He made me download some app and read some QR code, and he sent me, supposedly, \$2,000 worth of bitcoin. I walked back to the office convinced I got scammed. And then I sent my friend \$200 – that was my share of what I had to send. By the end of the day, my friend said, "Hey Wences, I got the bitcoin and I sold them for pesos, we are good."

I'm like, "What just happened?"

HOFFMAN: Wences' view of Bitcoin was flipped.

CASARES: And I went in a rabbit hole – it lasted six months – where I was first super cynical. But in six months I said, you know, I want to dedicate the rest of my career to help this succeed, because I think a world in which Bitcoin succeeds for billions of people is more important than one in which the internet succeeds.

HOFFMAN: Until he needed it, Wences hadn't considered Bitcoin. And he didn't even know he needed it until someone told him he did. And then Wences went all in.

That's because Wences is the kind of person who will climb aboard a rickety bus and venture across entire continents. But most people aren't that adventurous, especially when it comes to their money.

The path ahead for Wences would involve systematically persuading person after person to join him on the Bitcoin journey – because any time you're launching something that others will find far-fetched, you're going to have to prove your magical mystery tour bus is roadworthy.

I believe: The more revolutionary your product is, the more reassuring you have to be when you invite consumers on board.

[THEME MUSIC]

HOFFMAN: I'm Reid Hoffman, co-founder of LinkedIn, partner at Greylock, and your host. And I believe the more revolutionary your product is, the more reassuring you'll need to be when you invite consumers on board.

Every founder believes their product is revolutionary in some way. Maybe you have a new way to keep potato chips fresh, for example. That's new! But it's not scary. Everyone understands the benefit of fresh chips. (Spoiler alert: It's the CRUNCH!) Selling people on your idea will be relatively easy.

But if your product or service is so radical that people have trouble grasping what it is – or believing that it won't harm them – they may be hesitant to even try it. Think of [Airbnb](#)

[replacing hotel rooms](#). [Uber and Lyft replacing taxis](#). Self-driving cars. AI phone calls that can fool you into believing they're human. All radical ideas that overturn expectations.

In cases like these, you're effectively trying to lead a revolution. And if you want to rally the masses, you'll need to speak a language they understand; you'll need to reassure them that this idea isn't as different – or as dangerous – as they might think.

I wanted to talk to Wences Casares about this because I call him the “Bitcoin patient zero” of Silicon Valley. He single-handedly infected dozens of investors – including me – with Bitcoin fever. With his latest company Xapo – that's spelled X-A-P-O – Wences set out to make using Bitcoin as easy as possible for consumers and institutions. And he did this by taking extraordinary lengths to reassure them.

Before we get to Wences' story, I want to assure you that we'll give a bit of a Bitcoin primer later in the episode. This demystification is part of Wences' mission.

But first, we're going to hear Wences' firsthand experience of being excluded from traditional financial systems, and the devastating effect it can have.

CASARES: So growing up in Patagonia, where my parents were – and still are to this day – sheep ranchers, I saw my family lose all of their savings three times. I think that an average family should be very unlucky to happen – one of those things happen once in their lifetime, and hopefully never.

The first time, it was because of Argentina's biggest devaluation to date, wiped out their savings. The second time, almost 10 years later, it was because of hyperinflation, and it wiped out their savings again once they had recovered. And some years later, the government confiscated bank deposits, so it wiped them out again.

HOFFMAN: It's not just the extreme physical hardship caused by these repeated calamities that has stuck with Wences.

CASARES: What I remember is my parents fighting about money, and the world around us collapsing as we know it, right? It's just a feeling of everybody on their own going back to animal spirits, and of being vulnerable, exposed in a scary way.

HOFFMAN: The collapse of something as fundamental as the banking system is something most of us will hopefully never experience. But for hundreds of millions of people worldwide, it's a real threat.

And chronic financial insecurity didn't just hurt Wences in the short term. Wences saw how it crippled the whole economy, and kept startups from... starting.

Wences had dropped out of college to launch the country's first internet service provider, called Internet Argentina SA. He'd convinced his sisters to drop out too. For a year and a half, he tried to raise capital in and around Argentina. But the meetings – 33 of them – all went the same way. He'd launch into his carefully crafted presentation...

CASARES: And they would stop the presentation and basically ask me a version of, "Who's your father?", trying to see if they knew my father. They wouldn't, because he was in Patagonia. "Which school did you go to?" actually meaning, "Which private school did you go to?" And that was usually the end of the meeting.

HOFFMAN: In Argentina at that time, getting money was all about family connections – no doubt this was entwined with the country's repeated financial crises. So when Wences visited Silicon Valley for a conference in 1994, it was like a different world.

CASARES: I couldn't believe what I saw – that these kids from the middle of nowhere in Wisconsin or India or China would be given \$3 million dollars without people thinking that they were going to steal it. Right? Like, "Oh, my God." I really was in awe. And I said, "I have to come here more often and get inspired."

HOFFMAN: Wences returned to Argentina and launched a new financial services venture, called Patagon. But he wasn't just launching his own startup. He wanted to revolutionize how startups were launched in Argentina. However, he found once again that Argentina's venture capital deck was stacked against him. It was rejection after rejection – until the moment everything changed.

CASARES: We were in this tiny little office that was a loaner from a friend, and I'm trying to get these things started, haven't raised any money. We were behind with our payroll – it was not a good time. And the bell rings, and I open, and there's Linda Rottenberg.

HOFFMAN: Linda Rottenberg, the co-founder of Endeavor, which helps entrepreneurs worldwide to thrive. She arrived at Wences' door, certain she could help. Wences wasn't so sure.

LINDA ROTTENBERG: Well, when you ask Wences what he thought of someone like me walking into his office saying, "Hey, you have a great idea and I want to help you." He thought that myself and my co-founder Peter were running a cult.

CASARES: And I remember thinking like, this is too strange.

ROTTENBERG: He thought it was a religious cult because why would anyone want to actually help someone who didn't have the right last name?

CASARES: She tells me that she started a non-profit in New York to help entrepreneurs in emerging markets, and that she'd like to see if they can help me.

HOFFMAN: Linda's nonprofit was still an idea when she met Wences, and Linda was looking to start a revolution of her own. She wanted to bring entrepreneurs together with local investors, to show ideas could come from anywhere. Wences was exactly the kind of unlikely entrepreneur she was looking for.

ROTTENBERG: Wences Casares was a kid who'd grown up on a sheep farm in Patagonia. He creates Argentina's first internet service provider. It gets taken over, he gets thrown out of the company with nothing. He's 24 years old and he decides, "All right, I'm going to dust off my pants and I'm going to start the first E-Trade of Latin America."

Ok. Well he had been turned down by 34 local investors. Everyone says, "You don't have the right last name, never mind any capital. Who are you? And this E-Trade, we don't really even have a functioning stock market in Argentina."

CASARES: And then I said, "Do you provide money?" And she said "No, we don't provide money – but we help you in other ways."

ROTTENBERG: We just met him and said, "This guy is on to something."

CASARES: And I said, "Whatever, we have nothing to lose, come on in." And she changed my life.

ROTTENBERG: We ended up helping Wences raise capital from Fred Wilson, then of Flatiron Partners, and Chase Capital. We ended up helping him find a COO.

CASARES: I don't think I could have ever raised money without having that experience before. I was thinking about the business incorrectly, I was pitching it incorrectly. There were a number of things that were very, very valuable.

ROTTENBERG: And a year later, Banco Santander buys the company for three quarters of a billion dollars. And suddenly everyone, throughout the entire Southern Cone, starts saying, "Hey, wait a minute. If Wences can do it, I can too."

HOFFMAN: You can hear Linda's full story on our episode entitled ["The Next Silicon Valley Is...?"](#)

Wences realized he needed to change the way he pitched his business to investors. In Argentina, at that time, it was revolutionary for the child of sheep ranchers to launch a successful startup. To say nothing of the radical ideas in his startup itself. To succeed, Wences

needed to speak the language of local finance. He needed to reassure Argentine investors that his operation was actually quite conventional in order to start that revolution. And he did.

Wences' startup, Patagon, was sold to the Spanish bank, Santander, for \$750 million dollars in 2000. Wences went on to found a string of successful startups, including video game developer Wanako Games, Lemon Bank in Brazil, mobile payment provider Bling Nation, and mobile wallet Lemon.

And now there's Xapo, spelled with an X. Xapo is a Bitcoin wallet whose user interface is a lot like a regular bank's. They have an app that makes it easy to transfer bitcoin onto a debit card. So: No more cafe meetups with guys who look like Gandalf. Xapo gives people the revolutionary benefits of using Bitcoin without making it seem... scary.

But getting to this point was no easy feat. You'll remember that Wences first encountered Bitcoin when he sent money to repair that bus in 2011. Let's listen again as he describes the effect it had on him.

CASARES: I'm like, "What just happened?" And I went in a rabbit hole – it lasted six months – where I was first super cynical. At one point I hired a group of hackers with whom I had worked a long time ago, to see if they could hack this.

HOFFMAN: That's right. As part of his serious stress test, Wences actually paid hackers to let loose on Bitcoin and try to break the system. But before we come to that story, this seems a good time to pause and explain for just a moment how Bitcoin works – and why it makes some people wary.

Bitcoin is digital currency, of course, but that's only the beginning. Its transactions are encrypted and decentralized – so no one person, or bank, or government has control. Every time Bitcoin changes hands, it's recorded on a public ledger, a digital record stretching back, back, back to its very creation, like a very long, very detailed guest book.

But instead of people's names, the guest book is filled with unique addresses, each of which records a transaction. This ledger, known as the blockchain, updates constantly and in real time, and that information updates simultaneously to the millions of computers tracking it. So if someone tries to mess with the ledger, it won't work, because the ledger lives everywhere.

It's Bitcoin's decentralization that makes it so secure. But that's also what can make people nervous. We're trained to think of "safety" as a deposit box that lives in the bowels of a single bank, with a single key. A public ledger with millions of copies feels like the exact opposite.

Another thing that some people find scary – and others liberating – is the control you have over access to your bitcoin and how easy it is to lose. Bitcoin are stored in wallets, a unique address

on the blockchain that only you can access. But if you lose the private address, then access to the bitcoin held there is lost forever.

I recently produced a video that gives an entertaining overview of Bitcoin in the form of a Hamilton-style rap battle. You can see it at MastersofScale.com/BitcoinRap.

Wences knew that if he was going to build a business around this Bitcoin revolution, he'd need to reassure consumers that it was as safe as conventional currency. And first, he had to convince himself. So he hired that group of hackers to see if they could break the system. After three months, he asked for a progress report.

CASARES: I said, "Hey, so where are we?"

And they said, "Well, we're going to need more time."

"Okay, how much more?"

"I don't know, three months more."

"Oh, okay."

"And we'll need more money."

"Okay. How much?"

"Another, \$250,000."

Wow. And then they said something that made me dive head first, which was, "And we'd like you to pay us in bitcoin." And it was, "Okay, we're done."

HOFFMAN: So the hackers Wences hired to try to break Bitcoin asked to be paid in bitcoin. And like that, Wences was sold.

CASARES: And that's when I said, you know what, I want to dedicate the rest of my career, my reputation, and my capital to help this system succeed. Because I really believe that if Bitcoin succeeds, for billions of people that will be more meaningful than the internet succeeding. Having a universal store of value or measure of value and a universal settlement system that can't be censored or manipulated is really a game-changer for billions of people around the world.

HOFFMAN: Even though Wences was converted, he could see how the gospel of Bitcoin might be a hard sell for some.

CASARES: I think that having grown up in Argentina helped me understand Bitcoin a lot better when I first saw it. Because if you live in the U.S., the dollar has worked really well, right, for you, it has worked for your parents, has worked for your grandparents. It's very easy to get a credit card and a checking account. It's very easy to make a payment with a credit card, or with Paypal or with Venmo or et cetera. So you don't really see a problem there. And in general, Americans have this very positive view about, they assume that the government will always be there, and the government will always do the right thing, right?

So you have to have grown up in a different country to say, "Look, the government may not be there, may not always do the right thing, and that currency may not always be there and may not always do the right thing."

HOFFMAN: But Wences didn't see Bitcoin as a mere alternative to unstable currencies and compromised financial institutions. He saw it as a revolution for economies like Argentina. He also knew that for Bitcoin to truly succeed, it would need buy-in from people used to stability.

Wences couldn't hire teams of hackers to reassure each and every person that Bitcoin was unbreakable. And he couldn't dress up as Gandalf and give personal demonstrations in coffee shops.

After the break, we'll hear how Wences founded Xapo, the vehicle he would use to help make Bitcoin more relatable.

[AD BREAK]

HOFFMAN: Before the break we heard how Wences had been gripped by the possibilities of Bitcoin. Now he wanted to help lay the foundations for its wider acceptance. So Wences founded Xapo with Federico Murrone to make using Bitcoin more convenient – and more importantly, trustworthy.

CASARES: We wanted to take care of the problem of keeping the private key secure, receiving bitcoin for them, making it very easy for them to receive bitcoin, send bitcoin, and keeping them secure without them having to understand anything about the technology. At the time when we looked around, there wasn't a service that already did that or that we could trust, and we built that.

HOFFMAN: Within a year of setting it up, Wences and Federico knew they would have to make a bold bet if they were to reassure people that Bitcoin was safe. The market was heating up, and that increased risk.

CASARES: A lot of people brought their bitcoin to us. And the bitcoin price was going up rapidly, meaning we felt constantly like we are trying to catch up from behind and we said, “How do we make sure that we don't have to be always catching up?”

HOFFMAN: So Wences and Federico made their big, bold bet. They backed Xapo with a measure so conservative it seems almost crazy to those of us in Silicon Valley. He literally built underground vaults that were protected by armed guards and elaborate security systems. Within these vaults, Xapo set up secure computer servers that were isolated from the internet. It was on these servers that Xapo kept its customers' digital wallets. Effectively, Xapo had created the Fort Knox of Bitcoin.

CASARES: We, quickly, we lay infrastructure, and said, okay, what if the price is much, much bigger than what it is right now and what if we have 10 times more coins? And we were very glad we did that. At the time some people thought we were crazy for building that infrastructure, of having these deep underground vaults in multiple continents that can only be accessed physically, that have armed guards, that have man traps, that have very large tunnels, that are everything is being filmed, that have biometric access.

It looks like science fiction and people thought it was an exaggeration, but it gave us comfort that we were not going to have to be catching up from behind. If the price went up 10x and if we had 10 times more coins, we knew that the security was there and we were very glad we did that.

HOFFMAN: Wences' big bold bet here is very unusual because the normal startup pattern, the one that I suggest and encourage entrepreneurs to do, is the minimal tests to see what works, what would reassure people, what's the smallest, cheapest, easiest thing that you can measure and then iterate upon, is in fact the typical.

And especially software approach to say, “We're going to go build the Fort Knox” is an extremely expensive, extremely big option, but that shows you just how far you need to go in order to try to reassure people that this is in fact, actually safe. In fact, this bold bet, this big move seems very risky, but maybe, in fact as once is about to say there's more risk in not taking that big bold bet.

CASARES: I think that it would have been more bold not to do it. Because in any other service I would recommend that you do the way you suggested, that you just iterate, gradually make it better. But when you are responsible for other people's money, it's just hard to sleep at night if you don't know if tomorrow your service will be good enough, if all of a sudden the price or the number of coins becomes too attractive to hackers and you were not prepared. So here, I don't think we really had a choice if we wanted to do it right. Because you are responsible for money, the only way forward was to really get way ahead of the game.

HOFFMAN: Like any revolutionary, Wences had to act quickly to make his vision a reality. But he also needed to show people that his Bitcoin vision was as safe as the familiar world of checking accounts, bank statements, and debit cards that many consumers were so familiar with.

This paradoxically meant investing enormous time and money in conventional security measures, the kind that would convince consumers to join his revolution.

Another founder who made an industry-defining bet on the long game is [Anne Wojcicki](#) of the DNA testing and analysis company 23andMe. 23andMe was a first-of-its-kind company. Government regulators didn't know how to classify it, and Anne had to decide whether to evade them – or engage them.

ANNE WOJCICKI: I had one very wise regulator who asked me, "What do you want to do? Do you want to sell this company in two years? If you want to do that, this is your strategy. But if you really want to change health care, you just sit down and you work with the FDA and you do the hard work. And it's gonna take you years. And you've got to be ready. At the end of those years, you will have really changed society, but you've got to know that you're committed to doing that."

HOFFMAN: Anne ultimately succeeded in reassuring the FDA of the safety and reliability of their revolutionary new DNA service. And Wences showed a similar unrelenting commitment to Xapo. This prepared the company for the huge growth in Bitcoin that Wences predicted. It also made sure Xapo had the reassuring measures that would attract anyone still on the fence to the Bitcoin revolution.

Wences' big bet on Xapo paid off when an event shook the world of Bitcoin in 2014. It started with the Japanese bitcoin exchange Mt. Gox.

CASARES: Mt. Gox, which was the largest bitcoin exchange at the time, went bankrupt and put a huge pressure on the rest of the ecosystem for security at a premium basically. And we had a wall of coins coming our way, as a result. That event put us at a completely different level.

HOFFMAN: I want to stress here that Wences is in no way gleeful about how this event helped Xapo. Quite the opposite.

CASARES: I think that was bad for Bitcoin as a whole. As an industry we were all set back a few years because of Mt. Gox going under. But it made people care more about security and we had very well known security and we brought a lot of coins to us.

HOFFMAN: Unpleasant as the Mt. Gox episode was, it was a vindication of Wences' strategy.

Today, Xapo has grown to one of the most trusted ports of refuge in the often tumultuous Bitcoin waters. Meanwhile, Bitcoin has grown from seeing at most 10,000 confirmed transactions per day in 2011, to around 400,000.

CASARES: If we want to get to a billion owners of bitcoin, which I believe we do, we also have to make it very, very, very easy.

HOFFMAN: With any product, your first tranche of users will likely be very similar. They'll be the kind of people who were already primed for what you have to offer. I love what Wences has to say about growing Bitcoin – or any product – to its “second billion” users. He says the first billion users of any digital tool have a lot in common with each other. And he likens it to the early days of the internet.

CASARES: You can think of Silicon Valley as being super central to getting the first billion people online. And those first billion people who were the first billion people to get online all over the world, they look a lot like people from Palo Alto, even if they're not in Palo Alto – even if they're in Bangalore, even if they are in Istanbul, even if they are in Paris.

I think it felt somewhat natural for Silicon Valley to bring them online, because they were people like them. They spoke the same language, even if they didn't speak the same language, right?

HOFFMAN: Just as with the internet, with Bitcoin you have the super-early adopters, the hardcore technologists who revel in the new. Then it gets popularized among a wider group that shares a similar outlook. But reaching the second billion? That's something else altogether.

CASARES: That changed in the second billion people who – some of them look a little bit like that, but most of them begin to look very different. And right now we're in a completely extraterrestrial territory. The people who are coming online now, from the two billion onwards, have nothing to do with the people around Silicon Valley, meaning that they, for the most part just have a very different view of the world than we have.

HOFFMAN: Wences knows that attracting the first billion Bitcoin users will require a lot of reassurance. But reaching the second and subsequent billions will take a radically different approach. These are the people who constantly face the challenge of having their life savings wiped out, just as Wences and his family did in Argentina. So how to reach that second billion – or as Wences refers to it here, that “second public”?

CASARES: There is some advantages to finding people who really understand that second public, who understand it firsthand – not by watching YouTube, or reading a paper, or doing tourism, right? And in some ways there's no other way to understand that public than being there.

HOFFMAN: One powerful way to “be there” is to hire people who live there, and who intrinsically understand how to reach – and reassure – your new, expansive audience. They will be able to show others exactly how your radical new product, technology, or service is will bring true value to their lives. This is what Wences is doing with Xapo. The company is fully remote, with 275 people across 62 countries.

CASARES: The main advantage is that if you and I were going to play a soccer – football – match to the death, you're given \$10 million dollars and you can hire any players you want. And I am given \$10 million dollars, and our teams are going to play, and whoever loses dies, right?

And then there's a little catch, which is, I can only hire in Buenos Aires, and you're going to hire all over the world. You will kill me no matter what, right? And this is no different when it comes to a startup. I think that's the biggest advantage – it's just that when you have no geographical fencing, you will find better people, period. Those people will be more motivated, and more loyal. That is a huge advantage.

HOFFMAN: Once you've got your dream soccer team, it's time to start scoring goals. A good example of this is when the entire Xapo team went to Kenya, and used the local payment service M-Pesa. M-Pesa isn't Bitcoin, but it's an interesting case of how Bitcoin could be used by people who lack access to traditional banking.

CASARES: You know, I think that if you are in payments and in Bitcoin, you cannot ignore what's going on in Kenya with M-Pesa, but also what's going on in China with WeChat and Alipay, a few other examples where it's really worth it to go and see it firsthand and use it, and spend some time using it like the locals do, to understand.

We were in Nairobi, we had everybody using M-Pesa in downtown Nairobi. And we told everybody that they could only use M-Pesa for the whole week we were there. It was interesting that we did this exercise where we asked our people why they thought that people were using M-Pesa. And then we had them wait at the places where people recharge and top up their M-Pesa accounts, asking why they used it. And the difference – you think you know, and that's why you're there: to learn the things that will surprise you. And there were a lot of interesting surprises.

HOFFMAN: One surprise: The early adopters of M-Pesa were not the privileged, educated users we see in developed countries. Quite the opposite.

CASARES: The people with less money used it first. And only now, as of the last year, people who had a bank account and a credit card began using M-Pesa, but before it wasn't the case. So, for example, in fancy hotels you couldn't pay with M-Pesa. Or if you're at the fancy restaurant and you asked to pay with M-Pesa, people laughed.

HOFFMAN: The reasons for using M-Pesa were also surprising.

CASARES: For example, the answer from a woman who said that when she receives their salary, if she has it in cash, her husband may spend it and may misspend it. And it was very, very hard for him to do that if she kept it in her M-Pesa account. Never thought about that, but it makes a lot of sense, and it's more valuable than I thought.

A young man explaining, "Look, when I pay with M-Pesa nobody can see my wallet, nobody can see how much I have in it, and nobody can see what I get as change. I just pay and I'm done."

And yes, he was referring to the act of reaching for your wallet, getting all the cash out, paying, getting the change, and all of what that exposes. And again, I never thought about that. I mean, it's very valid, right? So there are all of these things that you need to be there to understand why they are valuable and how valuable they are.

HOFFMAN: Its uncovering and promoting these unimagined upsides of Bitcoin that helps drive Wences.

CASARES: What is really important is that if Bitcoin works, it may do for value, for money what the internet did for information. Bitcoin is very risky and it may fail. We don't know. It may take 10, 20, 30 years to get fully established, like the internet took that long. And in that process, it may fail. It may not succeed like the internet did.

But if Bitcoin succeeds, you can imagine a world in which the national currencies do not disappear. But when your granddaughter asks you, "What's the price of the New Zealand dollar?" Your answer will be, "One thousand seven hundred Satoshis."

COMPUTER VOICE: A Satoshi is the smallest value of bitcoin currency.

CASARES: "And the Turkish lira? Five thousand Satoshis."

HOFFMAN: In August 2019, Xapo sold a portion of its custodial business to Coinbase for \$55 million. Wences and his team had laid the groundwork for bringing on board the big institutional investors. Now they wanted to focus on the kinds of customers for whom Bitcoin could have a transformative effect.

WENCES: Having a global nonpolitical standard of value and having a global nonpolitical standard of settlement would free money in a way that it has never done before. It would be the biggest step in the democratization of money we've ever seen.

It's really a truly sovereign standard of value, nonpolitical standard of value. It's sovereign, it's uncensorable, it's undevaluable. If that becomes the backbone of value in the world, we're looking at a much better world for most of us, for billions of people.

HOFFMAN: Like any revolution that seeks to make the world a better place, Wences vision is not about change for the sake of change. It's about overcoming the inequities that, for many of us, go unseen but for too many others are an ever present cage. However lofty the revolution you're aiming for, if you can reassure your customers that the upsides make it worth them putting their trust in you then you've already won the critical first half of the battle.

I'm Reid Hoffman. Thank you for listening.