

Title: GME + FTX Deal

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Hi all, I am hoping this post can be used as an educational post for those that are going to be introduced to crypto through GameStop and their new partnership with FTX.

My history with crypto is a very short but exciting/horrific experience that I will try to keep short. I was an early investor in SafeMoon and sold on a 30x gain. I took all of that gain and let it sit on a crypto exchange called Voyager making interest on all of the crypto I invested in on their platform (BIG MISTAKE, when a platform gives you interest on crypto, they are "borrowing" your crypto just like a bank would with your cash).

Without getting into all of the dirty details, Voyager filed for bankruptcy July 6, 2022. I am now part of the 3.5 million users that are considered unsecured creditors of Voyager.

I bet you are asking yourself, what does any of this have to do with GME or even FTX? Well FTX placed a bid to buy Voyager and it's current assets out of bankruptcy. It is yet to be determined how much money the customers of Voyager will get back, if any at all.

Point of the story is that when it comes to Crypto, we have to treat it better than we do our current currency. The decentralization of Crypto enables us to pay each other with out the use of banking systems and a central bank. Crypto was made with its own ledger so that we can personally verify accounts(addresses) and the value they possess.

Exchanges should primarily be used for buying and selling, not holding your crypto on which I obviously failed at. So for quick education, I will use the correct terminology for crypto, then explain it in ape terms.

Exchange - A place to on/off ramp fiat (buy crypto with cash, sell crypto into cash), trade and send crypto. When your crypto is in an exchange wallet, the exchange has access to this crypto as well similar to a bank.

Hot Wallet - A wallet with a unique address to you that can on ramp fiat, swap crypto, and hook up your wallet to exchanges which gives you the exchanges abilities to change crypto back to cash, etc. When your crypto is in a hot wallet, it is stored on the blockchain and you have a seedphrase that must be guarded with your life! Your wallet address is also available to be viewed by the public easily.

Cold Wallet - A wallet with a unique address not connected to the internet. You have a seedphrase as well but the wallet address is more anonymous.

So in ape terms, think of an Exchange as a bank, think of Hot Wallet as you holding GME in Fidelity(albeit still your name and a bit safer), then think of Cold Wallet as DRSing your shares to ComputerShare.

Hope this helps and I'll post links in comments and provide any edits if necessary!