

What is something worth ? A building, a pen, a stock, a cryptocurrency, gold, Intellectual property, any asset? Valuing something we own has always been more art than science.

When I was a kid and started to collect stamps, I collected them because my mom had done the same as a kid. She turned me on to the history lesson that came with collecting stamps. Then when I got to be about 15 and started going to stamp shows to add to my collection I quickly realized that there were inefficiencies in that market. The same stamp was selling for different prices at multiple stamp dealers at the same show. It didn't take me long to realize I could buy from one and sell to another.

I literally bought a stamp for 50 cents from one stamp dealer and an hour later sold it to another dealer at the same show for \$25. I quickly went from being a collector to being "an investor", trying to take advantage of these inefficiencies and saving some money to help pay for college.

Watching what has happened with Wall Street Bets reminds me of those days. There are inefficiencies and traditions in every marketplace that have become so engrained by the power players that they literally think they are "rules" that most, if not all participants will follow.

Until they don't

It often starts on a small scale, a kid finding discarded items, cleaning them up and selling them on ebay, turning this into a business. Or getting trading cards from somewhere, looking up the value online and selling them for more, turning this into a business. You love to see it.

The path of finding inefficiencies has followed an interesting path from purely analog when I was a kid, you had to have something, go somewhere and sell face to face or by mail, or use an intermediary like a broker, to using the internet and sites like ebay or other marketplaces to sell their physical goods.

Now we are seeing the next step in that evolution. What happens when everything is digital ? What happens when literally anything digital can be a store of value ? Including a share of stock ?

What is a store of value ? Its something that some number of people assign value to and are willing to pay for and then hold on to, hoping that circumstances increase the value of that item. One of the most historic and visible stores of value is Gold.

Gold bugs would tell you that Gold is a store of value because of its history as the foundation for currency, or actual use as currency. That its a hedge against inflation. That it has intrinsic value because its used for manufacturing and jewelry. It's all narrative. There are plenty of other "precious metals" that meet the same criteria. But Gold has more buyers. When the number of buyers increase, the price goes up, and vice versa. **There is nothing unique or special about gold other than enough people believe the story to buy gold.**

Trading Cards, Art, Cars, Stamps and many other "collectibles" are also perceived as a store of value. **One of the reasons they have worked as a store of value is that they require physical ownership as proof of existence and confirmation of scarcity.** We have a good idea of how many of most collectibles were created and the physical presence of that good is confirmation that its real (most of the time, fakes obviously do exist and fraud is an issue), but for the most part we trust the Picasso is a Picasso and the Luka or Lebron Rookie cards are real as well.

Of course those who collect them as an investment hope that their value will go up, and they very often do go up, leading to profits for those who own and then sell them. In the analog world , pre block chain world they were the only game in town.

But something changed over the past 3 years, (Crypto enthusiasts will tell a different story saying this has been going on since 2009). The block chain has evolved to support smart contracts and the ability to uniquely identify digital goods and the transactions associated with them.

What is a digital good that can be sold ? Literally ANYTHING digital. If it can be generated and saved in a file format, then it can be defined as part of Smart Contract . That Smart Contract can be powerful with plenty of "If this than that" rules that allow for levels of control of that digital good which in turn can define its availability or scarcity, what happens when its sold, whether ownership is conferred, and my favorite and what i think its possibly the ultimate game changer, whether or not future sales pay a percentage of every sale to the person/company who originally minted the digital good.

Because of the intelligence assigned, stored and maintained **decentrally** via the block chain, with no one party in charge of the transaction and miners competing to confirm the transaction, **blockchain driven assets have now legitimately become stores of value.**

This digital store of value isn't limited to Digital Goods of course. It has long included cryptocurrencies (CryptoAssets is what they should be called, they are rarely used as currency), like Bitcoin , Ethereum and so many others, along with the tokens being created to support De-Fi and other value creating derivatives of CryptoAssets. They all are Stores of Value with market cap leader Bitcoin having a decade plus long history of transactions and wealth generation.

To so many the idea that a CryptoAsset could be a store of value is crazy. To them, there is no there, there. There is no intrinsic value. **To them it is a digital representation of nothing, that crazy people are paying good money for. That is not the case.**

Old Schoolers say that you need to have something "tangible" in order for there to be value and we will deal with fraud after the fact. If we can touch it, see it or hear it, it is real and can have value. They begrudgingly realized there was value in digital music over CDs. The New Generation that has grown up in a digital world has known their entire lives that what has been of greatest value to them has been digital .

This generation knows that a smart contract and the digital good it reflects or a CryptoAsset are a better investment than old school see, touch or feel uses (STFU) ■

It took me collecting stamps and baseball cards to truly understand why this is true.

When you collect stamps or cards you have to worry about getting them graded. Is it mint condition or ? You have to store them and maintain their current physical state . You need to protect them and keep them safe. When you want to sell them you need to physically deliver them , which entails considerable risk during shipping. Because much of the industry is person to person , there are a variety of other risks and costs introduced into the system as well. All of these are expensive, time consuming, risk increasing and annoying.

With a digital trading Moment on [NBA TopShot](#) as an example , you have all the fun, none of those risks and the value is still set by the same laws of supply and demand.

I get to enjoy knowing I own my Maxi Klieber dunk Moment, along with knowing the serial number and much more. Some people might complain that I can get the same video on the internet anywhere any time and watch it. Well guess what, I can get the same picture on any traditional, physical card on the internet and print it out, and that doesn't change the value of the card.

And when I want to sell the card, NBA Top Shots offers a marketplace I can sell it in, which by virtue of the site being created on [Flow BlockChain](#) offers me the ability to see every Maxi card being offered, the serial number, its price and more. All the foundations required for a consumer friendly, efficient marketplace. But I do have to add that I don't know why anyone would sell a Maxi Moment. Maxi is a top 10 defender in the NBA, just saying !

With digital goods, I still have the same sense of ownership as with a physical good, and again the value is still set by supply and demand, but I have none of the hassles beyond remembering my passwords and dealing with wallets. Both of which are getting easier and easier. And the funny part, if you're an old school physical good owner that wants to share what they own with someone else, what do they do ? They take a digital picture of the item and send it or the link.....

Plus there are tons of additional benefits of digital goods that are even more evident in the new and growing digital minting and marketplace destinations. Sites like [Mintable](#) and [Rarible](#), where I have minted digital goods and offered them for sale [here](#) and [here](#) and marketplaces that enable the sales of either curated or open hosted digital art and beyond, like [OpenSea](#), [NiftyGateway](#), [SuperRare](#) or those like [NBA TopShot](#) and [Bitcoin Origins](#) that create and mint their own or licensed content . The transparency is the biggest upside. I can see the history of every buyer and bidder, I can see what they own, what price they paid. For every digital good I can easily see what the marketplace is for any digital good. [CryptoSlam](#) is a great example of this. And I can transact in minutes or faster. When I want to buy or sell something, I just go for it and the deal is done. Plus, I need to add that they barriers to entry, while not non-existent, are far lower than traditional art and collectibles, opening the door for some incredible new talent to be discovered !

Its the same with CryptoAssets. Yes, wallets can be confusing, but you can figure them out. And like your gold, your silver, your coins, your stamps, your cards, the value is set by supply and demand. (for crypto nerds, the supply is set by the algorithms of the CryptoAsset)

That's not to say the digital goods and CryptoAssets markets are perfect , they are not. Transaction costs can be high. The markets can still be moved by a few big players (whales), and like the markets for stocks and physical goods, the markets can be influenced by narratives that may or may not be true.

But the bottom line is that there are a growing number of investors and traders who think that the digital goods and CryptoAsset marketplaces are better than old school physical markets and the stock market and most of them are young. **They love the fact that NO ONE has power over them. That there is no central authority and they get the results of their own efforts without some government agency or big company fucking with them. Every negative , consequential financial moment in their collective lives has been the result of some massive entity getting greedy and fucking things up for them.**

On the flipside, they have also been watching some of their peers gain wealth with Crypto and Digital Assets, most starting with not much capital. Those peers have also been very vocal about the lack of interference by Old Schoolers with Crpto and Digital Assests and much of those gains have come from all of them doing the same thing, buying and Holding On for Dear Life. **They have learned that with digital assets, acting in unison can bring wealth to those who otherwise would not have access to it. That is power and they know it and they are learning how to use it.**

So what does this have to do with Wall Street Bets (WSB) and \$GME and the other stocks they are trading ?

Well, it's pretty obvious that the WSB traders are applying the same principles of the digital/CryptoAsset world to the stock market and they are loving the fact that the old schoolers are hating it.

They know that Wall Street hasn't changed much in generations. Sure it has gone digital in many respects, but the way the game has been played has not changed. Wall Street is 100pct top down controlled and regulated. Which stock is next in the S&P 500 ? Which is removed ? [No one knows, but it is provocative](#) and can change fortunes for investors. **SEC decides to use their own in-house Administrative Law Judges and prevent defendants from having their constitutional right to a jury trial ? Yup. You can't afford to fight them. Tough shit.** Big brokerages get to have calls and put out notes to their millions of clients with price targets in hopes of moving markets, but think its wrong for Sub Reddits to do the same ? Yup. [The ultimate in stock manipulations, corporate stock buy backs were illegal prior to 1982, till the SEC put a former Broker CEO in charge. Wanna guess what has happened to CEO compensation since then ?](#)

Wall Street and the agency that governs it, the SEC have become fat and happy. Fat and Happy makes old school slow and resistant to change. Very resistant. And obviously very unaware of the change that is happening around them.

Which leads to what they are missing and don't believe can or will happen. But first, here is what they do believe: They believe that no matter what the companies, that small traders buy, or the digital assets they buy , will go down in value. Considerably. They look at companies like GME, AMC, BBBY and understand what happens with a short squeeze and how that can force prices up. But as bad companies, the prices will come back down, because that is the way pricing in the stock market always has worked. And there is some truth to that. That stocks of companies that go bankrupt are either redistributed to debt holders or fully canceled (yes there are other options, but these suffice) . If the companies that WSB and other collectives of investors go after go out of business, their stocks become worthless as well. What they don't understand is that the collectives like WSB understand that completely and accept that risk. Put another way, the old schoolers think they are smarter. They are not.

Now we get to connect the dots of how the "Store of Value" Generation is kicking old school ass.

This generation doesn't care what Old School Wall Street thinks or says about valuations. They don't care about Price Earnings Ratios, or NPV of future cash flows , or what the analysts say the earnings per share this quarter. Don't care at all. They have learned from their experiences watching Wall Street go up and down and making people who aren't them a ton of money that it's a game designed to reward the people with the most money. That all these narratives are just sales pitches designed to sell stocks and they want to change the game and kick their ass.

Which they should and have every right to.

A stock is just another digital store of value. And like the stores of values that have come before and will be successful for generations to come, the more decentralized the power , the more power that comes with the collective working together.

Sure, every single person knows they can make or lose money from their trades, whether its GME, AMC, Bitcoin or AAVE. Sure there are people who are in unfortunate circumstances and risk more money than they should, but there is zero difference between them getting and following advice from Reddit or someone on CNBC or Bloomberg.

They also know that the more they work together , the less power Wall Street has. They know that fat and happy Wall Street has become slow, stale and set in their ways, which makes them an easier than anyone would expect target.

They as a group they can target any hedge fund, any stock, any time , for any reason and change the game. No different than a major wall street analyst making a major call can move a stock by getting their Whale followers or clients to buy or sell, now WSB and the people who follow it, the collective, can do the same, but with much more power and impact.

This doesn't have to be a negative target. It can be absolutely positive. Push up the stock of a company that has a strong social mission they support. Push up the stock of a company that offers equity to their employees at the lowest levels so they can sell into the market and gain wealth. Take significant positions in a company and act as activist investors . No, they wont be able to do this with 100 companies at a time. at least not for a while. They don't need to. Being able to have an immediate impact on something that is of significance and importance to them can be amazing and great for this country.

However, this is exactly what Wall Street hates and will fight because it moves the power out of their hands. This Store of Value Generation isn't looking to break laws, they are looking to break the system that has created challenge after challenge for them. To move out the people who have ignored them and continue to dismiss them and to move in people who understand what they want their future to be. Every generation in this country has had its unique special power. This Store of Value Generation has found at least one of their special powers in financial unity. We as a country will be far better off if we understand them, respect them and learn from them, quickly.

As always , tell me where you think I'm wrong !