

**All-In Podcast #182 - DOJ targets Nvidia, Meme stock comeback, Trump fundraiser in
SF, Apple/OpenAI, Texas stock market**

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Jason Calacanis

Alright, everybody. Welcome to the world's greatest podcast. With me again, today -

Chamath Palihapitiya

The world's #1 podcast.

Jason Calacanis

Yes, the world's #1 podcast. We - we came in 8th last week, I think, for those of you looking at the iTunes rankings - which is absurd. We've only got to beat Ben Shapiro -

Chamath Palihapitiya

#8 across all of Apple?

Jason Calacanis

Something like that. Yeah. Whatever their top episodes are on the weekends.

Chamath Palihapitiya

Well, that means we crushed on Spotify then.

Jason Calacanis

Probably, yeah. I would guess. I don't - I don't know all the rankings, but -

Chamath Palihapitiya

And - and I guess on YouTube, we got labeled with some COVID thingamajig.

Jason Calacanis

I mean - it's so -

Chamath Palihapitiya

What a joke.

Jason Calacanis

What is going on at YouTube?

Chamath Palihapitiya

What a joke.

Jason Calacanis

Like literally your labeling COVID at this point? I mean -

Chamath Palihapitiya

What a joke.

Jason Calacanis

Oh, my lord. So, I guess we have to, at the top of the show, talk about the fundraiser and, I guess, this like - Vinod Khosla came in hot this week and attacked the besties. Let's play the clip.

[Begin - CNBC Clip]

Andrew Sorkin

What is your sense of the shifting winds in the Valley around politics? I think for a very long time, the Valley was seen as sort of a liberal bastion. But you know - if you listen to Elon Musk or you listen to All-In Podcast and - and - and that gang and others, it seems to be shifting potentially towards former President Trump. Is that just a small pocket or do you think that that's a - a real shift in terms of the way the Valley is thinking politically?

Vinod Khosla

The first thing I would say is All-In Podcast and some of the supporters there are not based in the Valley. I would say they're a bunch of MAGA extremists in every part of society. And I hope we can prevent them from destroying democracy - which is probably the most important issue we face.

[End - CNBC Clip]

Jason Calacanis

Alright, Sacks. Why are you destroying democracy? Vinod wanted to know.

Chamath Palihapitiya

Now, that's a good bit, JCal. That's good.

[Intro Music]

Jason Calacanis

Alright, David. If Vinod was at the conference - he got a little bit chippy here. Maybe he got a little bit out a line. He was a little bit out a line? What's your take?

David Sacks

A little bit.

Jason Calacanis

A little bit.

David Sacks

A little bit.

Jason Calacanis

A little bit.

David Sacks

Well, first of all, Vinod should realize we're not MAGA extremists or extremists of any sort because he was at All-In Summit last year.

Jason Calacanis

He was great.

David Sacks

Yeah, we liked what he had to say.

Jason Calacanis

Productive.

David Sacks

And I certainly don't dispute his expertise and - and track record in tech. But in addition to that, then he's saying that we're not based in Silicon Valley. We're not from Silicon Valley. We've all been here for decades. And then, he doubled down on that and a tweet. So, that's a -

Jason Calacanis

It's weird.

David Sacks

- a bizarre statement. Maybe he thinks he gets to define people in or out of Silicon Valley? I don't really understand it. But to be frank, this is one of a series of statements that he's made recently that I can only call insulting and childish. First, he had this tweet that he said that Trump supporters were lacking in empathy and caring. Then, he had another tweet where he said that Trump supporters weren't teaching good values to their kids. This caused Shaun Maguire, who's a partner in Sequoia, to quote tweet him saying that I think that I'd rather raise my kids to grow up to take after Ivanka Trump than Hunter Biden.

Jason Calacanis

Yeah.

David Sacks

And that got like - something like 20,000 likes. And it was one of the most brutal ratios I've ever seen on a tweet. So in any event - I mean - this is just one in a series of - of partisan tweets. And look. I think you can take whatever position you want on a political candidate. I

can understand if he doesn't like Trump. A lot of people don't. He's raising money for Biden. That's fine. It doesn't bother me at all. But what I do -

Jason Calacanis

Yeah, he just had a fundraiser like 2 weeks ago or something?

David Sacks

He - right, exactly. That's not an issue at all. But what I do take offense at is labeling millions and millions of ordinary Americans as somehow lacking in empathy, lacking in caring, not being good parents because you don't like their support for Trump.

Jason Calacanis

Yeah. I got you. Fair enough.

David Sacks

And I think that that - that is a statement that, frankly, reeks of being cocooned in an elite bubble for way too long. And let me just explain. If you look at where Trump's support is strongest, it's really in middle America - in sort of the heartland of America. What -

Jason Calacanis

In between the elite states.

David Sacks

Basically, the -

Jason Calacanis

Let's be honest.

David Sacks

- the part of America that coastal elites dismissively refer to as "flyover country".

Jason Calacanis

Sure.

David Sacks

And it's a lot of the industrial Midwest. And frankly, that part of the country has had - not had the same type of economic experience that we've had in Silicon Valley.

Jason Calacanis

Of course.

David Sacks

They have not been beneficiaries of globalization.

Jason Calacanis

Or equities - you know - and they're - they're in the working class. And the working class and the factories got gutted. Yeah. That's it.

David Sacks

Well, yeah. Look, if you're in one of the handful of export industries in America - and I'm talking about if you're in Hollywood, or you're in Big Finance, or you're in software - then globalization has been great for you because it has created huge global markets for our products. However, if you're in an industry that has to compete with global exports, then it's been very bad with you. And blue-collar workers have been hurt, labor has been hurt, people who work with their hands have been hurt. They have not benefited in the same way from the system that we've had in this country for the last 30 years. So, you can understand why they would not be so enchanted with elite thinking.

Jason Calacanis

Of course.

David Sacks

And I think to then label those people as lacking in caring, or empathy, or not being good parents because they haven't had - they haven't had the same economic ride that you've had for the last 30 years. And then, you -

Jason Calacanis

It's a blind spot. Let's call it what it is. Yeah.

David Sacks

You are the one who is fighting a legal battle to kick some of those people - the public -

Jason Calacanis

The surfers at his beach. Yeah.

David Sacks

- off of a public beach. Kick the public off the public beach in front of your beach house. And then, you're saying there are the ones lacking in empathy? Dude, look in the mirror.

Jason Calacanis

Yeah. I mean, listen. It - the great irony of this is, as you know, the Democrats were supposed to be the - the party of the working people. And Biden was supposed to be the

pinnacle of that - like fighting for unions - fighting for the working person. And - and so, they've just lost that whole thing and -

David Friedberg

I'll say like - I - it feels like a lot of people are tilted because they defeated Trump. And now, he's back. And so, that tilts a lot of people. Like there was a lot of effort, a lot of energy, and a lot of feeling of success that Trump was ousted. And the fact that the guy is now the front-runner to be president again can be very tilting after feeling like you've already won the battle. And guess what? It's back. I will also defend Vinod real quick. I'll - I'll say, having known Vinod for a long time - he's an - an investor with me. He's a guy I've come to appreciate and - and think highly of. We had him at the Summit.

Jason Calacanis

He was great at the Summit.

David Friedberg

He was great at the Summit.

Jason Calacanis

He was awesome.

David Friedberg

If you listen to his thing, he said "the listeners of the pod" and then he said "MAGA extremists". So, I - they're not based in Silicon Valley. I think he was referencing that the listeners of the pod are not based in Silicon Valley and they are MAGA extremists.

Jason Calacanis

Ah.

David Friedberg

I -

Jason Calacanis

I didn't - yeah, I couldn't hear.

David Friedberg

I think what he meant to say was, "And some of the supporters there are not based in Silicon Valley" - meaning like the supporters.

Jason Calacanis

Chamath, your thoughts on Vinod's comments?

Chamath Palihapitiya

Yeah, I think Vinod's comments are a microcosm of something that's a little bit bigger than just him. And I think is roughly emblematic of the mainstream media, which is - I think the four of us have found over the course of these last 4 years doing the podcast, a rhythm, where there's a whole diversity of views. We've always respected each other. We've learned from each other. And each of us have taken turns expressing something that the others have ended up converging on. That's not a holistic statement on every issue, but it has - it has happened. And that's an - an incredible example of how you should figure things out from first principles - especially things that matter. And I think this is the first time and - you know - look, David said this a few years ago. He said - Sacks did - that the course of elections will be driven by podcasts. And I didn't give that a full enough weighting at the moment when he said it. But I think what I'm realizing is - it's not necessarily just that podcasts will frame elections, but it's the counterfactual - which is that it fills a vacuum. And I think what you're seeing right now are the reactions of people that have thrived in what used to work, which was a traditional media infrastructure that would shape how people were supposed to think. But then, all of a sudden, if you can have a platform like this where people just talk from first principles, respectfully. And then, the chips are going to be what it is. And you know, people will come to their own conclusions. I think that that's what people are reacting to. So, I think what Vinod is reacting to is this sort of discomfort where you see four reasonable, intelligent people - all of a sudden - talk open-mindedly about what's happening in the presidential election. And what you leave out is the planted orthodoxy of what you're supposed to think. And that's disconcerting to him. It's just disconcerting and confusing maybe to Sorkin, who I think is a wonderful reporter and a thinker. It's disconcerting, Jason, to every single media outlet over the last week that's breathlessly been trying to get me or Sacks to have an opinion on this. And the reason I've deleted all of these emails is they don't get a chance to frame what we think.

Jason Calacanis

Hmm.

Chamath Palihapitiya

You can listen to the podcast and know what we think. This is the future of how smart, reasonable, moderate people should make decisions. It is an example. Talking to somebody you disagree with does not make your opinion bastardized.

Jason Calacanis

Right.

Chamath Palihapitiya

It actually makes your opinion valuable.

Jason Calacanis

Yeah.

Chamath Palihapitiya

There are these simple truths to living a productive life that if you want to embrace, you need to find friends that you can trust. Even on issues when you disagree, you can hear them out. So, that's what's happening right now. And I think that that's why we all need to sort of stand together, and lock in arms, and just keep moving forward. It's - it's something really important here that's happening. And I think that's why the media and these opinion makers are losing their minds.

Jason Calacanis

Friedberg, your thoughts on this? You're friends with Vinod, as you mentioned. And you've always said to me, and in our personal discussions, that the reason you do this pod is because you really want to set an example of how to have great conversations, and learn from each other, and - and the tone of - of what we do here. So, your thoughts on this?

David Friedberg

The unfortunate reality in a voting system and election cycle like we're in - Vinod went and did a fundraiser - it's public - that he did a fundraiser for Biden a few weeks ago. And he wants to win the election. He wants to make his horse win. There's a - a lot of reasons why I'm sure Vinod has chosen that person to be his horse. And so, when you get on the playing field, you got two teams and only one team wins. So, you know - everyone pulls out all the stops to win. One of the things that it's done is unfortunate and it over time causes an erosion and a hardening into a kind of polarity between all people - which is that you call the other side "wrong", or "bad", or "extreme". The term that he used which really, I think, personifies the problem is he said their listeners are - they're "MAGA extremists".

Jason Calacanis

"Extremist" being the word, right? MAGA just means "Make America Great Again", which I think - everybody wants to make America great again.

David Friedberg

Whatever. The - the - the "extremism" phrase is used by both parties to describe the points of view of the other side. And what I think is lacking is a reshifting of the perspective to say, "Their views are valid. I acknowledge their views. I hear them. I know why they feel that way. I'm understanding where that group of people are coming from." And to have that acknowledgement, unfortunately, softens and weakens your position and ability to go out and win an election. And so, both sides harden themselves and use terms like this to try and discredit the other side. So, it's unfortunate to see. I think we all understand where someone who's trying to win a battle on the field is coming from when they're trying to do this. But I do think that what is deeply lacking and the erosion that's arisen is because we

can't say, "I hear you. I see the problems. I - I recognize you as people just like us. You have kids. You have families. And you have a different point of view on the policies that will work and the individual that will realize those policies."

Chamath Palihapitiya

I also think it's important to make sure that we reiterate again, at the sake of being pedantic, the facts - which is this is a nonpartisan show. And it is a platform that has showcased and given time to Democrats and Republicans -

Jason Calacanis

And independents.

Chamath Palihapitiya

- and independents.

Jason Calacanis

Yeah.

Chamath Palihapitiya

And they've all taken us up on it. So, that thought by Vinod is, at best, incomplete. And more appropriately, just stupid and factually wrong.

David Sacks

That's a good point. You know, Larry Summers spoke at the same conference that Vinod did.

Chamath Palihapitiya

Larry Summers, Dean Phillips, Bobby Kennedy, Chris Christie. I mean - this is a spectrum of people that we are bringing on, again, so that you -

David Friedberg

Sheryl - Sheryl Sandberg

Chamath Palihapitiya

Sheryl Sandberg. You can hear from them -

Jason Calacanis

Jared Kushner.

Chamath Palihapitiya

Jared Kushner.

David Friedberg

Jared Kushner.

Chamath Palihapitiya

You can hear from them in an unfiltered way and come to your own conclusion. That's why we were #8 last week. That's the exact reason why. And I think that that's very scary because instead of power brokers being able to filter an opinion, you now have an opportunity to just hear it for yourself, discuss it amongst your friends, and come to your own conclusion. So, we have always been bipartisan here and we will continue to be bipartisan. The second thing is - and I just want to say this again - I have asked the White House for President Biden to come on the show.

Jason Calacanis

Oh, come on the show, please. Yeah.

David Sacks

Yeah, we've offered the exact same thing.

Chamath Palihapitiya

We are just - we are just waiting.

Jason Calacanis

People really don't want me to be friends with you guys. They want me to end my friendship with you, Chamath. They want me to end my friendship with you, Sacks. Like, I - like - and these are people who are our mutuals. I just want to say. And I want to just tell them all equally to go fuck themselves here. You can bleep out the f-word. Like I - I'm not picking my friends based on their political parties, or their leanings, or who they're supporting for president. The way I look at this, Sacks, is at - at this point, we're all Americans. We're in this together. America survived Trump's presidency. America is going to survive Biden's presidency. The democratic process - it is very messy. Everybody gets to have a voice. And let's just pause for a second here and open up the aperture. Let's be thankful that everybody gets to have a say. Let's keep it from getting personal. Half the humans on this planet Earth do not have a voice. The one thing that's trending in the wrong direction, globally, is people living in a democracy. It's the one thing not getting better. We have a lot of work to do in this country. We have to respect each other like we try to do here on this podcast. And we have to talk about the important issues. We all agree the budgets out of control. We all agree the education system sucks. We live in a multipolar world. We have to figure that out. When we should go to war, when we shouldn't, when we need to stay out of things - these are complicated issues. And name-calling and this presidency is not as important as tackling these issues together as Americans. I hope everybody can keep that in mind. So, let's debate this. May the best candidate win. And then, let's move on and let's solve some problems here, okay?

Chamath Palihapitiya

Well said.

Jason Calacanis

And it's getting personal.

David Sacks

Yeah.

Chamath Palihapitiya

Well said - really well said.

Jason Calacanis

I know I'm really hurt by this because I tell you, personally, it's very hurtful to me because I value our friendships and -

Chamath Palihapitiya

They're picking on the wrong guy because you're the most loyal guy. And so, it's kind of like it's going to be the least effective.

David Sacks

Well, you still care what they think, JCal. That's the problem. So, they can get to you.

Jason Calacanis

No, no. You can ask me if I do that. Don't tell me what I think, Sacks. You can ask me.

David Sacks

Okay.

Jason Calacanis

I actually care about people -

David Sacks

Do you still care about what they think?

Chamath Palihapitiya

The two of you - the two of you bicker like brothers. It's so funny.

Jason Calacanis

No, we do. But I know I just have to retrain Sacks that he can't tell me what I think. He can ask.

David Sacks

Retrain, okay.

David Friedberg

Retrain. Hahaha.

Jason Calacanis

Yeah. No, because you do that. You put words on it.

Chamath Palihapitiya

For all listeners -

Jason Calacanis

Yeah.

Chamath Palihapitiya

I just want you guys to know. They've been bickering like this for 20 years. So, it's just like the funniest thing -

Jason Calacanis

Yeah. No, here's the point. Here's the point.

Chamath Palihapitiya

because it just never stops.

David Friedberg

And it happens even worse offline when we're not on the show.

Chamath Palihapitiya

Offline, it's unbelievable.

David Friedberg

Nonstop.

David Sacks

You're ruining it, JCal. You're just ruining it.

Jason Calacanis

No. No. Here's the thing. I respect - you know - all of my friends. And I - I like having a diversity of opinions. That makes life more interesting for me. And then, to tell me I can't be friends with this person - that person. The way I grew up - my dad had a bar. Hells Angels,

cops, firefighters - just everybody was allowed to come and hang out at the bar. Like we're here. We're having a discourse. Everybody's welcome for a seat at the table.

Chamath Palihapitiya

LGBTQ? Were they allowed?

Jason Calacanis

All of them. The entire rainbow.

David Sacks

What people haven't figured out yet is that cancel culture is over. Virtue signaling is over.

Jason Calacanis

Absolutely. DEI is over. All of this nonsense.

David Sacks

It's on trend - not on trend. And the people who are still tweeting these blanket statements and they're trying to demonize the entire other side with unfactual, unfounded potshots are just making fools of themselves. And you can see that in their - you can see that in their reaction on X.

Jason Calacanis

Alright, let's move on. And - and -

David Sacks

Wait, we have some breaking news here.

Jason Calacanis

Oh, no.

David Sacks

Just to put things on a happier note.

Jason Calacanis

What happened? Did Uber get bought by Apple?

David Sacks

Tesla just launched the Tesla Mezcal.

Jason Calacanis

Oh, breaking new story. Hold on. It's a breaking new story. Tesla has launched Mezcal.

David Sacks

In that beautiful lightning bottle. I just ordered my bottle of this -

Jason Calacanis

Uh-huh.

David Sacks

- like 2 seconds ago while we're doing the show.

Jason Calacanis

Uh-oh.

David Sacks

And - because this sold out in like 2 hours before. And now, the bottles - the bottles of the original Tesla tequila go for like \$2,000 now on eBay.

Jason Calacanis

Oh, God. Breaking news.

David Sacks

So, get yours - get yours now if it's not too late.

Jason Calacanis

Smoky Mezcal. There you go. Wait a second. Is this going to compete with the All-In?

David Sacks

A little bit.

Chamath Palihapitiya

Oh, my God.

Jason Calacanis

A little bit.

David Sacks

A little bit but -

Jason Calacanis

Uh-oh.

Chamath Palihapitiya

Well, it'll be all sold out by the time you want your bottle, no?

David Sacks

Yeah, we're both going to be sold out.

Jason Calacanis

We're both going to be sold out. Like everybody can - see that? Everybody can win. It's not a zero-sum game. Everybody can secure the bag. Alright, let's get into the docket. Enough of the self-referential -

Chamath Palihapitiya

We're all influencers now. Did you guys see my deck this month? We're all influencers.

Jason Calacanis

We're all influencers. Absolutely. Absolutely. There's a lot of federal regulation going on around AI. As we know, regulatory capture - shout out to our guy, Bill Gurley, who did a great talk last year about this. On Wednesday, The New York Times reported that the DOJ and the FTC had struck a deal on how to go after AI incumbents. Here's the terms of the deal. And again, this is all breaking. The DOJ gets to investigate whether Nvidia violated antitrust laws. They didn't specify what they're going after here, but it could include the Nvidia use of CUDA software to lock customers into using their GPUs or maybe how Nvidia distributes their GPUs to customers. There's a lot of regulation around that. And the FTC takes the lead on looking into OpenAI's conduct and Microsoft's AI deals. Obviously, there's been a ton of those - including acqui-hires, etc. And then, just this morning, The Wall Street Journal reported that the FTC had opened a probe into Microsoft's deal with Inflection AI. That's the one, if you remember, where they bought the staff and then did some farkakte crazy commerce deal where they gave them a bunch of money, I guess, to bail out the investors. And that one is as conflicted up and down as you could possibly imagine. They note Microsoft structured that deal in a way that could avoid regulatory scrutiny. You heard that here first, actually. We - we talked about this concept of a shadow acqui-hire on this very program when we saw it because we'd never seen a deal like that. It had - includes that \$650 million licensing fee. Alright, there's tons of other angles here. But let's start with you, Chamath. What are your thoughts on this regulatory capture and Nvidia's ascension? For those of you not watching, it's almost become the largest market cap company in tech. Actually today, Nvidia passed Apple for a moment in time. So, this is pretty crazy - what we've seen with Nvidia. And here we go - regulatory capture coming in hot. Chamath, your thoughts?

Chamath Palihapitiya

I have two thoughts. They're sort of mixed emotions. The first is: I think the DOJ and the FTC are totally way out of their ski tips on this. This is a totally nascent industry. We don't have any good examples of end user use cases - either at the enterprise or amongst consumers. We only have 18 months of spend history. It is true that we've spent probably 750 billion to a trillion dollars collectively now -

Jason Calacanis

Yup.

Chamath Palihapitiya

- on things with the AI label. But it is also true that that's probably generated less than \$10 billion in revenue. So, I don't see what they're exactly investigating in an extremely immature market where we haven't yet seen one cycle of boom and bust so that we know what we're actually dealing with. So, it's way too premature and it's just people afraid and tilting at windmills.

Jason Calacanis

Hmm.

Chamath Palihapitiya

The second part - the part that's mixed though - is we are seeing a clever form of deal making that these huge hyperscalers are doing to work around the traditional constraints that you've had on businesses. Jason, you and I worked at AOL in a moment where AOL paid a very dear cost for essentially round-tripping revenue.

Jason Calacanis

Yup.

Chamath Palihapitiya

Microsoft had to go through a huge DOJ inquiry and a settlement decree. And they were in the penalty box for most of Steve Ballmer's tenure as a CEO.

Jason Calacanis

A lost decade. Yeah.

Chamath Palihapitiya

And the handcuffs came off when Satya took over that business. So, I think what I'm trying to say is: Folks have become extremely sophisticated at replacing round-tripping with these complicated tactics 2.0 - whatever you want to call it - credit-oriented deals. They'll finance you to buy their own chips. All of this stuff has to be scrutinized a little bit more. So, that part I support. But all of a sudden launching an antitrust investigation makes no sense. So, I really think the inquiry should be coming from the SEC about: Is this real revenue?

Jason Calacanis

That's actually the key issue. And - and this goes to, Chamath, what we talked about. Like let's - if we're going to police something, tactics makes sense -

Chamath Palihapitiya

Absolutely.

Jason Calacanis

- not future competition, which has been Lina Khan's sort of approach to this. And she's only going to be in the position for another couple months if the election goes the way it's going. So, this might all be moot. Friedberg, I want to get your thoughts on this. We had that great talk "2,181 Miles" from - from Bill and regulatory capture at the Summit. You can look - it would be in the show notes. If you haven't seen it, it's great talk. Friedberg, your thoughts on this?

David Friedberg

I - I don't know what regulatory capture of Nvidia - are you - are you talking about regulatory capture of Nvidia?

Jason Calacanis

Just regulatory capture in the framing of AI. Is it too early? Hey, we're like in the - we're not even in the first inning here and already, we're going to start investigating everybody. And it just seems premature. Yeah.

David Friedberg

Well, I mean - part - one of the silly aspects is they just passed this law in California. Newsom warns against the perils -

Jason Calacanis

Perils?

David Friedberg

- of overregulating AI.

Jason Calacanis

Oh, good.

David Friedberg

Governor Newsom warned on Wednesday against stifling the burgeoning AI sector. I mean - Newsom is well informed by the tech community. So -

Jason Calacanis

Sure.

David Friedberg

I - I don't think he - and he's also an intelligent person. So, I don't think he'd - kind of - you know - fall quickly in line on this one. But the way that the statutes were written is there's a definition on the size of a model, which in and of itself is very quickly changing. As we know, we've seen recently significant reductions in model size that actually improve performance overall of the model for specific applications. And it's very likely we end up seeing a lot of more smaller targeted models being used in specific applications instead of one massive general-purpose model being used or networks of smaller models which is what really where I think the industry is going. And if that's where things go, then this - this statute doesn't even matter. It makes no sense anymore. And that shows you, I think, how quickly things are changing. They go and they get a quote "expert's" opinions. In a couple of months, those experts come back. There like, "Here's the size of a model that you need to be regulated." And then, the legislators run and they write the - the code. They pass the statute. And all of a sudden, it doesn't even make sense anymore. So, yes. I don't think we really know where this technology is all falling out at this point. And I think it's very difficult to have the government - kind of - reach in too quickly to go try and identify what they should and shouldn't be allowing to happen from a free-market perspective.

Jason Calacanis

Your thoughts, David Sacks - especially in the light of the fact that it's looking like we're - we're going to have some regime change in Washington? And the FTC is going to - going to - going to turn over, obviously, if that happens.

David Sacks

Well, look. I agree with you guys. This is just too soon to be opening these investigations. It's true that OpenAI and Nvidia have leads in their respective markets, but that's all it is at this point. It's way too early in the development of these markets to say that these are clearly monopolists. There's still a lot of competition going on. If, a few years from now, Nvidia still has whatever - 85-90% - market share and no one's even close to catching up - then, maybe, you consider it a monopolist. Same thing with OpenAI. But it just seems very early to be rushing into investigations of these companies. I mean - the AI market is what? 18 months old? 2 - 2 years old, maybe, at most?

Jason Calacanis

I'd say 2 is a good way to look at it. Sure.

David Sacks

Yeah. So, it's just very early to be doing this. Look, I think this is of a piece with - remember that executive order or whatever that - you remember when the White House issued that 100 page plus executive order on AI regulation? We covered it on the show. And we also thought that was too soon and we thought that if the internet had been regulated in that way in - you know - circa 1995 or 1997, it never would have blossomed the way that it did. You

know, you want to give these markets some time to play out before you bring down - down the heavy hand of regulation on them. So, it just seems to me like the administration is getting carried away here with this desire to regulate this new space. And I mean - frankly, it's of a piece with - you - I - I would say an innovation-hostile agenda. You also have the attacks on crypto. You just had Biden veto a bill that would have finally given crypto a regulatory framework in the US. It passed with 60 votes in the Senate, including Democrats like Chuck Schumer. And it still wasn't good enough. Oh, and it was based on a framework, I think, that came from the SEC.

Chamath Palihapitiya

Hmm, yeah.

David Sacks

But Biden is basically in the Elizabeth Warren camp - that he's going to give no quarter to crypto. So, you've got hostility to AI. You've got hostility to crypto. You've got hostility to M&A. No one can get an M&A deal through right now. You put all these things together plus you've got hostility to options as compensation in - in terms of the 25% unrealized gains tax. You add up all these things. And again, I think this is an agenda that does not benefit Silicon Valley at all.

Jason Calacanis

Well, and if you want to understand why people are coming to your fundraiser tonight - if you put all this together, it doesn't take a genius to figure out that if you're a venture capitalist or an entrepreneur and you want to see M&A, and you want to see entrepreneurship, and you want to see your companies thrive, and want to see your employees get rich and have options, Biden is basically handing the election to Trump.

David Sacks

It's like he's doing everything he can to basically alienate Silicon Valley. So -

Jason Calacanis

And capitalists.

David Sacks

And you're exactly right.

Chamath Palihapitiya

And innovation. I wouldn't even say it's Silicon Valley. It's like if you're going to go and build things that are at the bleeding edge -

Jason Calacanis

Yeah.

Chamath Palihapitiya

You know, the government used to be the - the most critical supporter of that, right? If you think about space or defense - these are areas - the Internet itself. The government was the partner of private industry to make sure that there was no regulation and that like really really -

Jason Calacanis

Exactly.

Chamath Palihapitiya

- forward-looking innovation could happen. That should be their role.

Jason Calacanis

And this speaks to this decel versus acceleration movement that we see here in Silicon Valley. And this is what we see in Texas, Florida, UAE, Riyadh, DOA. There are places in the world - Singapore - where people are accelerating innovation. And this is what humans want - not just entrepreneurs - not just venture capitals. All of us want to see an acceleration of innovation. Everybody wants to see prosperity. And if you put yourself up as the decel candidate, "We're not going to allow M&A. We're going to screw with options. We're going to do all the stuff.", people just are not going to vote for you. And people want crypto legal. So, take the memo. I mean this - I mean - the fact that -

David Sacks

Yeah.

Jason Calacanis

- the Democrats can't feel the candidate that aligns with the - what humanity wants is absolutely mind boggling. This is why, I think, Biden's getting hot swapped this month. You heard it here first.

David Sacks

Hahaha.

Jason Calacanis

He's got - no, I - Gavin is going to be running for president. It's going to be Trump and Gavin. They're -

David Sacks

Well, I -

Jason Calacanis

- hot swapping Biden after this first debate. Biden is going to get demolished by Trump on the debate. It's going to be elder abuse. He's getting wiped out and hot swapped. You heard it here first.

David Sacks

Hahaha. Well, there's a lot of -

Chamath Palihapitiya

Hmm. Hot - hot swapped. Hot swapped.

David Sacks

- lot of conspiracy theorists online who agree with you. A lot of tin foil hat speculation -

Jason Calacanis

Fine.

David Sacks

- that he's going to get switcheroo'd.

Jason Calacanis

Hot swap.

David Sacks

But look. I mean - I think you make the correct point which is - you know - I didn't really think about it this way. But you're right. Biden is the decel candidate. And -

Jason Calacanis

Nobody wants that.

David Sacks

- also, Trump has shown a learning curve where he recently has been saying positive things about crypto.

Jason Calacanis

Yup.

David Sacks

And he's always I think been more pro-economic growth. He was a real estate developer from the private sector.

Jason Calacanis

Sure.

David Sacks

He actually understands the economy. So, there's no question that he would be more pro-innovation - much more pro-innovation than Biden. And to your point - about this is one of the reason why people are coming to the fundraiser - I had someone from the campaign that said something very interesting to me. She said that we've never seen this many new donors -

Jason Calacanis

Yes.

David Sacks

- at an event before. So, we're turning out the new donors for this reason.

Jason Calacanis

Yes.

David Sacks

And you know, we're not going to be intimidated by people calling us names, you know? It's like - look, in any normal election, people in an industry would vote for the candidate who they see as most aligned -

Jason Calacanis

Yes.

David Sacks

- with what is good for them -

Jason Calacanis

Listen, Sacks.

David Sacks

- their families, their industries -

Jason Calacanis

If you made a list - let's just make the list here right now. Make the list of things Trump is in support of, right? And Republican support right now. They're going to be pro-M&A. They're going to be pro-crypto. They're going to be pro-less taxes. They're going to be pro-law and order. You know what? That's where I align. Those are the things I want.

David Sacks

Right.

Jason Calacanis

So, if you just list the issues for me - despite how I might feel about Trump and some of the things he's done - he checks off all my boxes. He checks off all my boxes. And I think that's what's happening here. And you know, people were scared to come out and say, "This person checks off all my boxes." The Democrats need to realize they're out of sync with America. They're out of sync with powerful people in America, especially the donor base. They're the decel candidate / party now. And they just have to flip this thinking. They're going to get demolished. It is going to be a landslide at this point.

David Sacks

Well, from -

Jason Calacanis

People want jobs and prosperity.

David Sacks

From your lips to God's ears.

Jason Calacanis

Do the hot swap. I mean -

David Sacks

Hahaha. I don't really have a lot more to say. I think -

Jason Calacanis

Yeah. No, I mean - just take the win.

David Sacks

I think you made a great point.

Jason Calacanis

Take the win. I mean - and - and crypto is such an obvious win. And you know what? Trump's anti-EV right now. He's been whaling on EVs. I guarantee you that's the next thing. I bet you next week he comes out next week - within the next 2 weeks. Here is my prediction. Trump says, "You know what? EV is not so bad." Remember he's been saying, "EVs - nobody wants these things. We're subsidizing them." I bet you next week or maybe in 30 days - I'm making a prediction here. You bank the prediction. In 30 days, Trump comes out, magically, in support of EVs and innovation.

David Sacks

Well, I just think that his point is that people shouldn't be forced to buy EVs.

Jason Calacanis

Right.

David Sacks

I mean - I don't think he's -

Jason Calacanis

But he's going to tone it down.

David Sacks

I don't think he's against them per se. I think he's against people being forced. Look -

Jason Calacanis

Yeah.

David Sacks

I think that what the new administration, hopefully - or what Trump should propose - is effectively a modus vivendi with Big Tech - where the point is that: If you stop censoring our people - if you stop censoring conservatives - if you restore the civil liberties of the average American to say what they want online - to basically bank online - to stop essentially de-platforming and censoring people - then we will let you innovate. We'll let you do M&A. We'll let you get back to business. That, basically, is the basis for a peace agreement between Big Tech and the Republican party.

Jason Calacanis

Yeah. And by the way, I'd say in the next 30 to 60 days, you're going to see 10 incredibly high-profile people come out and support Trump if Biden isn't swapped out. And when I say high-profile, I have the inside line on this - extremely high-profile people. Not just Doug Leone. Not just David Sacks and Chamath Palihapitiya. It is going to be about 10 high-profile people who are much higher profile - respectively - than Chamath, and Sacks, and Doug Leone. So, just wait for it folks. You cannot be a decelerist in - you know - this world. Let's keep moving. Roaring Kitty, a.k.a. Keith Gill, just disclosed a nine-figure position in GameStop. Yes, we're back to where this podcast started. We're talking about GameStop -

Chamath Palihapitiya

Incredible.

Jason Calacanis

- and stonks as crazy as it is. And E-Trade is considering suspending his account. This is going to take a little bit of background. I apologize here I don't mean to monopolize.

Chamath Palihapitiya

Deplatforming him.

Jason Calacanis

They're deplatforming him. Here we go again. Quick background. You remember the first, basically, viral moment for this podcast? This AI moment - I remember I was in Tahoe skiing - was the GameStop saga back in 2021. Thousands of retail investors following this individual, Keith Gill, were posting in this subreddit called /r/wallstreetbets, if you're not familiar. And they created a massive short squeeze and they sent the stock flying. Robinhood halted the trading. Remember Vlad came on? That went - all went crazy. We covered that all. And then, Keith Gill went silent for the past 3 years on Twitter and Reddit. He said nothing. Then on May 12th, he posted this meme on X - which has been viewed 28 million times. Now, if you don't know this meme - this is the lean forward meme when you've got a game controller in your hand. It is a way to signal like, "Hey, we're getting to the boss level. It's going to get exciting." Here's your GameStop chart, folks. You see that first peak? That's when we reported on it back in 2021. And here we go again. It just had the slow ride down for 3 years and bing! Popped up again. So, GameStop stock tripled at the posting of that meme. Why is this important? Well, he has a huge position. He increased it from 200,000 shares, basically, to 5 million. He had 120,000 call options. Chamath will comment on all this in a moment. If he exercised all these calls, Gill could own an additional 12 million shares. Here's Gary Gensler, who was on CNBC Wednesday, trying to like calm the markets down and/or trying to get control of this craziness. Here's the clip.

[Begin - CNBC Clip]

Jim Cramer

I said to you. Look, I want to put up a - a - a - a - I want to put up a - a cryptogram. And it's of a chair leaning up, which we know from video game playing means, "Come on! This is the ninth inning! Get ready!" And we know that I'm a person who happens to like the stock of GameStop. "This is the single. Come on! Get ready!" Is this something, hypothetically, that is - that the SEC should worry about?

Gary Gensler

So, look. Again, it's not so hypothetical because you're describing things that are in the public domain and - and the public is - is - you know - interested in. So - but generally speaking, you have to make sure that you don't mislead the public and that you don't, in any way, do things in the markets that may be manipulative or misleading. And so, that's the key thing in our capital markets.

Jim Cramer

No! The key thing is if you can cure it with disclosure! This is brandise. You know if they disclose that this is something that they - a call to action - then, you can't go after them.

Gary Gensler

Disclosure is one really key part of our capital markets. When you buy the stock of a company, you expect that they give you full and fair disclosure. That's, by the way, not what you're getting right now in this crypto field. So, I just - you know - cautionary tale there - that disclosure. But disclosure doesn't necessarily protect a bad actor if they're manipulating a market.

[End - CNBC Clip]

Jason Calacanis

Chamath, you've been - you've had a lot of comments on the markets and, specifically, this one over the years. What are your thoughts? Is posting this meme stock manipulation or disclosure?

Chamath Palihapitiya

No it's - he's posting a meme.

Jason Calacanis

Okay. Thank you.

Chamath Palihapitiya

He put a picture on the internet.

Jason Calacanis

Okay.

Chamath Palihapitiya

I mean - the - again, this - this is like the problem that we have which is that he disclosed his position in a different way. Now, we don't know whether that disclosure is accurate because, I think, it was just a screenshot of like some statement inside of a Reddit thread, right? And then, that got posted many times elsewhere. Is this accurate? I don't know because he has no obligation, as an individual, to do any of this stuff because he's not running a hedge fund and he's not running other people's money. Now, if he was acting in concert with other people, you could say, "Hey, hold on a second. If you're repping not just your money but other people's money and you did this, then there's probably a disclosure obligation there." But at the end of the day, this is a guy that acted and basically created hype. And right now, the SEC does not have a framework to deal with that because the rules that existed didn't understand social media and whatnot. And he's also not a regulated

entity. He's just an individual. Now, if it turns out that he was selling while he was posting this stuff and trying to manipulate the market in some way, obviously, they could find issue with that. But just for him being a credible influencer and creating momentum for an underlying position – that, in and of itself, is not illegal.

Jason Calacanis

Sacks,. I think we have to go to Judge Sacks here. Judge Sacks, what is your verdict? Are memes stock manipulation, Judge Sacks?

David Sacks

No, I don't see any manipulation there. And like Chamath said, he's just posting a meme. What you saw on that –

Jason Calacanis

Not guilty?

David Sacks

Not guilty. What I see in that clip is Jim Cramer trying to stir up an SEC investigation of Keith Gill. For what?

Jason Calacanis

Hmm.

David Sacks

I mean – what exactly is he done here? This is kind of –

Chamath Palihapitiya

The Wall Street Journal as well. If you look at the Wall Street Journal today, there's an entire article basically with the headline: Is what Keith Gill doing illegal? And I think you can view this in a different lens which is: Here is an – an individual that is totally outside of the establishment – that, however he's done it, has gotten a hold of hundreds of millions of dollars – maybe even now billions if the stock keeps going. And I think that that, for the establishment that controls those pipes, is very disconcerting.

David Sacks

Right. If he – if he was one of those apex predators on Wall Street – if he was one of those major hedge funds that donates a lot of money to the political elite – in other words, if he was a well-connected political player, I doubt anyone be asking these questions.

Jason Calacanis

Friedberg, you got thoughts on this? Market manipulation or meme stonk fun? Good times. You're buying GameStop. You're buying AMC. Like you - buyer beware. You're - you're - you're in on the joke. What are your thoughts?

David Friedberg

Nick, can you pull up the image. I'm going to talk about the stupidity of buying the stock of this company -

Jason Calacanis

Okay, here we go.

David Friedberg

- at this valuation.

Jason Calacanis

Awesome.

David Friedberg

This is a - a company - and - and then, I think we can talk about whether that's even relevant - which I think it - indication is it - it's not. GameStop finished the year - 2023 fiscal year - with sales of \$5.3 billion - down from \$5.9 billion the year before. So, sales declined by 12% in the year. Adjusted EBITDA -

Jason Calacanis

They have \$5 billion in revenue selling games? Wow.

David Friedberg

Adjusted EBITDA for the year was \$65 million. And they have about \$1.2 billion in cash. Currently, as of today, the market cap is about \$13.5 billion. So, that makes it about a \$12.5 billion enterprise value. \$12.5 billion divided by \$65 million of EBITDA means that this stock is currently trading at about 192 times EBITDA. A business that is profitable, and you can say that the profits are stable and predictable, and it's likely not going to grow very much will typically trade for 7 to 12 times EBITDA. And this stock is trading at 192 times EBITDA. And the revenue is declining 12% a year. So, I'll just point out like I don't think that there's anything about the actual performance of the underlying business - in the security that you are buying or selling - when you are making a decision about whether or not to buy or sell the security. And I think that that's the real question. And does that even matter? Clearly, it doesn't. Let people have fun. Let them go to Vegas. Let them play in the roulette table. They know what they're getting into. The disclosures are all there. All the SEC filings are there. All the financials of this business are there. What you're actually buying is publicly viewable. You can look at it. You can make an investment decision as an individual investor and trader.

And you want to blow your money trying to see when the social trends are going to shift one way or another? Let it be your decision.

Jason Calacanis

I think this is well said. If you're buying NFTs, if you're buying stonks like this, if you're playing poker in a - if you're playing bomb pots - look it up, folks, if you don't know what bomb pots are - and you're going crazy playing bomb pots for 8 hours like we did the other week - you're there to gamble. If you are playing bomb pots - if this is the bomb pots of the stock market, have fun. Go crazy. If you're buying NFTs - if you're buying crypto and the latest token, you know what you're getting into.

David Friedberg

There's no - there's - by - by the way -

David Sacks

Right.

David Friedberg

There's no law - there's no law that defines why you should or should not buy a security with respect to the diligence you have individually done to determine whether the underlying business is worth the price you're paying.

Jason Calacanis

Yes.

David Friedberg

The law says that the businesses that are listing their securities for public trading have an obligation to make disclosures on their financials and any other material events to the public. And they do that through the SEC filing process. That's all out there. And then, what you as an individual do with it is up to you.

Jason Calacanis

Enough with the nanny state. Go ahead, Sacks.

David Sacks

So, when's the right time to put a short on this company?

David Friedberg

By the way, today, there's all these -

Jason Calacanis

Not investing advice.

David Sacks

I mean - it's kind of obvious that -

David Friedberg

The stock - the stock - the stock is up - the stock is up 40% today. And then, these reports that came out yesterday on a bunch of very big hedge funds that put very big short positions yesterday -

Jason Calacanis

Oh, no.

David Friedberg

- on the stock. And it's up 40% today.

Jason Calacanis

Here we go.

David Friedberg

So, they're all going to get margin called. So, this is where you see the same thing that happened last time where - what's that guy's name? The Capital? Chamath, what's that guy's name?

David Sacks

Oh, yeah.

Chamath Palihapitiya

Melvin. Melvin.

David Friedberg

Melvin Capital.

David Sacks

Melvin. Gabe Plotkin.

David Friedberg

Gabe Plotkin.

Chamath Palihapitiya

Gabe Plotkin.

Jason Calacanis

Have fun. Yeah, have fun guys.

David Friedberg

Someone's going to get blown out on the wrong side of this trade. Yeah.

Chamath Palihapitiya

You're going to get Plotkin'd. You're about to get Plotkin'd.

Jason Calacanis

Don't get Plotkin'd and Scaramucci'd.

Chamath Palihapitiya

Yeah.

Jason Calacanis

That's what you don't want to do because you could lose it all in a Scaramucci or -

David Sacks

It's basically a game where - you know - the redditors are - they bid up - they bit up the stock -

Jason Calacanis

Yes.

David Sacks

- to levels that realistically, it's not worth that much.

Jason Calacanis

Disconnected from reality.

David Sacks

But it puts a big - it basically creates a short squeeze -

Jason Calacanis

Yeah.

David Sacks

- so the stock flies up.

David Friedberg

Yeah.

David Sacks

Then, the hedge funds know it's overvalued so -

David Friedberg

They pile in.

David Sacks

they basically put new shorts on. And then, they -

Jason Calacanis

Yeah.

David Sacks

- do the next short squeeze.

Chamath Palihapitiya

And - and -

David Friedberg

Totally.

Chamath Palihapitiya

- they'll do something that's even more dangerous which is they can get synthetically short.

David Friedberg

Yeah.

Chamath Palihapitiya

So, they'll - they'll add leverage to this using all kinds of esoteric derivatives that other banks on Wall Street will happily sell them. And then, when those are disclosed, then the redditors can just pump it even more which causes massive margin calls. So -

David Friedberg

I think -

Chamath Palihapitiya

- the - I think the thing that, Friedberg, you're saying though. This is this existential thing that comes back. It's happened in NFTs. It's happened in the dot-com bubble. It happened in SPACs. It's happened in crypto. Are we supposed to protect people? And then, the question is: Who is the "we"? And are you supposed to say, "If you're an adult and you can read, then read the disclosures. And you're on your own." That's what the SEC says.

David Friedberg

Yeah.

Chamath Palihapitiya

And that's what the rule of law has been. And so, this is going to be an interesting test because instead of an organization, it's going to be a person - in this case, Keith Gill, who will be the face of what happens to the stock. Because if a bunch of people all of a sudden plow into this thing and then it goes to \$5, it'll be really interesting to see the reaction. "Hey, you should have saved us. How could this happen?" You know, "He dumped this on all of us."

David Friedberg

Yeah.

Chamath Palihapitiya

And the answer is: No, he did not.

David Friedberg

Where was the government to save our day? Where was the government to protect consumers? That's the next -

Jason Calacanis

Yeah. Enough with the nanny state.

David Friedberg

That's the next cycle of this story. The next cycle the story is -

Chamath Palihapitiya

No, the government did.

David Friedberg

Yeah.

Chamath Palihapitiya

And you showed how the government -

David Sacks

Yeah.

Chamath Palihapitiya

- protected everybody which was you showed the revenue, and the profits, and the margins
- which is publicly available.

David Sacks

And you did it in 2 minutes. I mean - anybody - anybody can look at your analysis and - and see.

Chamath Palihapitiya

You didn't even use a sophisticated model. You used probably the calculator app on your fricking Mac to figure out that there's a 192 times.

Jason Calacanis

No, he did the back of the envelope math.

Chamath Palihapitiya

If you can't do that small -

Jason Calacanis

Literally back of the envelope. Yeah.

Chamath Palihapitiya

No, no, no. I'm sure he used the calculator app. So, you can't - if - if you -

Jason Calacanis

Oh, actually. I have the Casio.

Chamath Palihapitiya

The whole point is you can figure out that there's no logical justification for this company using one Google search and the calculator app on your Mac.

David Friedberg

Yeah. So, I think -

Chamath Palihapitiya

It's on you if you are -

David Friedberg

I think the question is: Should we make all sports betting legal and all online casinos legal? So, if you follow this to its natural conclusion - let people do what they want. Why are all of the other gambling industry so tightly regulated?

David Sacks

No, I think - I think there's a big difference. I think there's a big difference.

David Friedberg

Yeah, what is it?

David Sacks

Well, because we need a stock market. We need - we need the ability for companies to go public. It just so happens that you can get this weird effect where some stocks can become meme stocks. But that - but that doesn't mean you want to design the entire system of securities laws around -

Chamath Palihapitiya

Right.

David Sacks

- one or two meme stocks. The fact of matter is that investors are sufficiently protected by robust disclosure requirements that, apparently, GameStop has followed. All that information is out there. You, basically, dismantled the company in like 2 minutes. So, anyone watching this show has all the information they need not to buy this stock at 190 times earnings, okay? If they choose to follow that information.

David Friedberg

EBITDA.

David Sacks

Yeah.

Chamath Palihapitiya

The other thing that you're saying, which is really important, is you have to remember what the capital markets and the stock market is there for. It's not meant for this. This is a small little cul-de-sac. But the overwhelming majority of the capital markets and the equity markets is to allocate excess capital to good ideas. That's what is usually happening. There's a bunch of us that will put a bunch of our money into things because we think it's the right thing to do. And that is the overwhelming majority of what is happening in the stock market every day. And David's right. Every now and then, one of these things randomly comes up. And every period of time, there'll be a few parts of the market that go crazy. But the reality is that's not what the overwhelming majority of - of the actions. And that's not why the security laws are there.

David Friedberg

Have you guys see this guy? His name is @tim.naki on Instagram. So, what this guy did - this guy's incredible. So, this guy went out and he basically bet 10 cents in online blackjack because he's legally allowed to do it where he lives. I think he's in Australia or something.

Jason Calacanis

Oh, yeah.

David Friedberg

That's 10 cents for every follower he has on Instagram. So, over the last -

Jason Calacanis

Okay.

David Friedberg

- couple of months, he's been racking -

Jason Calacanis

What could go wrong?

David Friedberg

Yeah, he's been racking and racking up the bets. And he ended up doing these \$100,000+ bets because he -

Jason Calacanis

What?

David Friedberg

- got to over a million followers. He ran this thing up to over a million bucks and he quit. But it's - it's - now, he's formed like a blackjack syndicate. So, everyone wants to kind of pile in and bet with him. I think that there's this really interesting phenomenon of like social betting. Everyone wants to be in a group together. He's got hundreds of thousands of people that have put money in.

Jason Calacanis

This is so great.

David Friedberg

And then, he goes and does this online gambling. Nick, pull the video up I just sent you. Watch how this guy - and he's so entertaining. He's awesome.

Jason Calacanis

Oh, man. Sacks. This - this could be deadly for Sacks. Sacks didn't know about this.

David Friedberg

So, this was day 72.

[Begin - Instagram Post]

Tim Myers (@tim.naki)

...72. Going to blackjack and betting in 10 cents for every Instagram follower I've got. There are 940,000 of you weapons with us now. So, a \$94,000 bet. Coming right up. Alrighty, ladies and gentlemen. We have a \$94,000 hand -

Jason Calacanis

Let's go! Let's go!

Tim Myers (@tim.naki)

- going on the line for the 940,000 -

Jason Calacanis

Give us a king - king.

Tim Myers (@tim.naki)

- of you weapons with us. 90 on the button.

Jason Calacanis

Come on, man.

Tim Myers (@tim.naki)

2k each of the side bets. This bloke definitely gloves up both hands on the golf course.

Jason Calacanis

I'm -

Tim Myers (@tim.naki)

Never has a blackjack hand stood to have such an impact on my life. I'm not healthy.

Jason Calacanis

Put a 1,000 for the dealer - 1,000 for the dealer. King!

Tim Myers (@tim.naki)

Fours. Gross. 7 versus 6. That might be a double down. That might be a double down, but I'm going to hit.

Jason Calacanis

Ooh. What are we doing, Sacks? Are we doubling down? What are we doing?

David Sacks

That's a double down. That's a double down.

Jason Calacanis

Double down. Double down. Yeah. Yeah. Definitely, double down.

Tim Myers (@tim.naki)

I'll take 3-4 or 10. Goddamn you. You got a 10 for me here?

Jason Calacanis

Of course, we're counting cards.

Tim Myers (@tim.naki)

8-18! We'll take the 18!

Chamath Palihapitiya

Oh, my God! 18! 18 vs 6!

Jason Calacanis

Yeah, let's go! Get it!

Tim Myers (@tim.naki)

We will take the goddamn 18 and pray to those punting lords.

Chamath Palihapitiya

Get it, @tim.naki!

David Sacks

Split. Split.

Tim Myers (@tim.naki)

A glorious day for the 10-10 - with the 10-10 on.

Chamath Palihapitiya

Oh, my God.

Tim Myers (@tim.naki)

Can I get the job again? That'll do!

Chamath Palihapitiya

Oh, 17!

Tim Myers (@tim.naki)

That will fucking do it! 180 in the back pocket!

Jason Calacanis

Let's go!

David Friedberg

That's awesome.

Chamath Palihapitiya

That's awesome.

Tim Myers (@tim.naki)

You little fucking beauty. I will see you tomorrow, you smug son of a bitch.

[End - Instagram Post]

Jason Calacanis

Oh, my God.

Chamath Palihapitiya

That's awesome.

Jason Calacanis

This is so great.

David Friedberg

This guy is so good.

Jason Calacanis

Sacks, do you know about this?

David Sacks

That's some serious degeneracy. It looks so -

Jason Calacanis

He -

David Sacks

- fun though.

Jason Calacanis

Look at Sacks! All-In syndicate?! Let's go! Let's go! Let's find a Sacks!

David Friedberg

One hand a day. One hand a day.

David Sacks

Oh, my God. It's once. There's only one a day? Oh, my God.

David Friedberg

And every day his follower count goes up. So, every day he bets more. And then, you follow - and he ran this thing up to a million a profit. Oh, it's so good.

Jason Calacanis

I haven't seen Sacks this awake during the pod.

Chamath Palihapitiya

You don't get the 10 cents. He keeps it for himself.

David Friedberg

He started this just by betting his own money. And he would put 10 cents down every day for how many followers he had.

Jason Calacanis

Okay.

David Friedberg

And so, he - he started betting more and more of his own money.

Jason Calacanis

So now, he's got a whole follower count that he can now monetize.

Chamath Palihapitiya

But I'm saying - is it still all of his money that he's betting?

David Friedberg

So then, as of a few weeks ago - or like a - 2 weeks ago - he stopped betting his own money. He took the million off the table. He called it a day. And he set up a syndicate. And now, people send their own money in. And now, he's betting the syndicate's money.

Jason Calacanis

I love this.

David Friedberg

And so, everyone tunes in and he did -

Jason Calacanis

It's the All-In -

Chamath Palihapitiya

Oh, my God.

David Friedberg

And he does one hand a day and he keeps racking this thing up. It's just - you know - it's -

Chamath Palihapitiya

But he - do - what happens when he loses? Is there are day where he's lost a lot of money?

David Friedberg

Oh, dude. You've got to watch it.

Jason Calacanis

Man, that was great.

David Friedberg

Nick, pull up a good losing video. It's so funny.

Chamath Palihapitiya

What? I want to see what happens when he loses like a big number.

Jason Calacanis

This is great. Can we get this guy at the All-In Summit?

David Friedberg

He plays online blackjack, right? So, there's always like a fake dealer. And he has all this hilarious commentary on the fake dealer - what they look like.

Jason Calacanis

Look at Sacks. Sacks texting [bleep] to setup an account and a VPN right now.

Chamath Palihapitiya

I'll be honest with you. This may get me back on Instagram.

David Friedberg

This is so good, right?

Jason Calacanis

This is so juicy. Ah.

David Friedberg

We should bring this guy out to the Summit.

Jason Calacanis

This guy's got to come to the Summit and do a live hand with MrBeast.

David Friedberg

@tim.naki - big - big shout out.

Chamath Palihapitiya

Is he on TikTok or no? Just Instagram?

David Friedberg

I think he only does Insta. Yeah - @tim.nak.

Jason Calacanis

I haven't seen Sacks listen to Friedberg on this podcast more than he just did. That was incredible. You got Sacks' attention. Sacks, did you know you could play live online blackjack from your phone? Did you know this?

David Sacks

Did not - did not know that.

Jason Calacanis

This is important information for all of us.

[Begin - Instagram Post]

Tim Myers (@tim.naki)

Big day coming up. There is 514,000 of you in here now. A \$51,400 bet coming up. Alright, day 60. A monumental day. We can hit the \$50k button here. We will do \$50,000 on the button.

Jason Calacanis

Let's go. Let's go. Let's go.

Tim Myers (@tim.naki)

We'll go \$800 on the 21 + 3 - \$600 on the perfect pairs. This is -

Jason Calacanis

Look at Sacks. Look at Sacks.

Tim Myers (@tim.naki)

- by far and away, the biggest bet I have put on a table in my life. We're trying to etch ourselves into gambling immortality! 14 plays 3! No!

Chamath Palihapitiya

Ooh.

David Sacks

Ooh. Ooh. Ooh. Ooh.

Tim Myers (@tim.naki)

Oh, it's a disgusting pull on day 60 with all the marbles on the line. We will stand and look for 10, 10, and bust. 10, 10, and bust. 10, 10, bust!

Jason Calacanis

Come on. 10, 10, 10.

Tim Myers (@tim.naki)

For heroics! To be a hero! Go 10!

Jason Calacanis

King! King! King!

Tim Myers (@tim.naki)

Yes! Yes! Yes! Day 60! Stick that in your fucking pipe and smoke it! Holy shit! We've pulled it off. Oh, my God. We've broken the push streak with The Adventures of Tintin. And you better believe that means I'll see it tomorrow! And I'll be betting even more!

[End - Instagram Post]

Jason Calacanis

This guy's got great energy. Can he do one live on the show next week?

Chamath Palihapitiya

Oh, day 55. Oh, here we go.

Jason Calacanis

Here we go.

Chamath Palihapitiya

This is -

[Begin - Instagram Post]

Tim Myers (@tim.naki)

...Instagram follower. I've got outrageously - there is an extra 21,000 of you in here today. So, \$37,600 bet going on for the 376,000 of you legends in here now. Coming right up. Okay, day 55 brings about a big goddamn bet.

Jason Calacanis

I don't like this dealer.

Tim Myers (@tim.naki)

We have \$36,000 on the button. \$1,000 on the 21+3.

Jason Calacanis

Dealer change. Dealer change.

Tim Myers (@tim.naki)

And \$600 on the perfect pairs. \$37.6k total. Bets are closed. We've just had a goddamn dealer change. We've been duped here. I'm call - I'm calling the commissioner.

Jason Calacanis

I don't like the dealer. I don't like the dealer.

Tim Myers (@tim.naki)

Also, 2 plays a - oh, 12 v. king. Oh, my God. Before I - before I hit the "Hit" button, I will say this. I've been talking to the the morning rumble this morning. Last time I spoke to the media about this journey, I - I broke a 6-day winning streak that day and I lost. So, if it happens again today. This one's on Roger Farrelly. We need to see 8 or 9. Go low. No!

David Sacks

Oh!

Tim Myers (@tim.naki)

Oh, my God! We were going so good.

Jason Calacanis

Come on. That dealer change was so dirty.

David Sacks

Wow.

Tim Myers (@tim.naki)

I guess you just can't win them all. But we've been -

Jason Calacanis

I don't like this dealer.

Tim Myers (@tim.naki)

- on some run and I will see you tomorrow when we'll be betting even more.

[End - Instagram Post]

Jason Calacanis

That dealer change was so dirty. You saw the dealer change in the last minute?

David Sacks

Yeah.

Jason Calacanis

He came up and they changed the dealer. They iced him.

David Sacks

They've done that to me before.

Jason Calacanis

I've - I've been with you when they've done that ice. They do that every time with you.

David Sacks

Yeah.

Jason Calacanis

When you start running it up, they send in the dealer to ice you.

David Sacks

I think there's a particular dealer they've got, you know?

Jason Calacanis

They do.

David Sacks

They - they - it's like in the bullpen.

Jason Calacanis

The blank cooler.

David Sacks

Yeah, the cooler.

Jason Calacanis

We know the one. The blank cooler.

David Sacks

The cooler.

Jason Calacanis

I don't want to say anything, but it's the cooler. We need this guy next week on the pod to do the live bet. And then, we each give him \$5k. How about that? You guys in?

Chamath Palihapitiya

I've had them trot out the cooler when I was playing craps once. I was so mad. And I was on such a heater. And what happens is - you guys have seen me play craps where it's like - it's all rhythm, right?

Jason Calacanis

Yes. Yes.

Chamath Palihapitiya

So, it's like I get the dice in a certain way.

Jason Calacanis

Yeah.

Chamath Palihapitiya

You know, I do the -

Jason Calacanis

Yeah.

Chamath Palihapitiya

And then, they bring in this guy. And he was like a klutz. It's like Daniel Day Lewis in My Left Foot. All of a sudden, he's - everything is spilling everywhere.

Jason Calacanis

Oh, he's knocking it over. Four dice fall off the table.

Chamath Palihapitiya

I got so out of rhythm.

Jason Calacanis

He broke the rhythm.

Chamath Palihapitiya

I crapped out of - it was so horrible. I was so mad.

Jason Calacanis

Nick, I want this guy in the pod next week. We're each putting 5 dimes in. We got \$20k from All-In. Let's do it. That would be so much juice.

David Sacks

Oh, my God. We should get him to play a special All-In hand and let him run up our capital.

Jason Calacanis

On the Summit. Let's take the profits from the Summit and do a live hand. We could put like a million bucks each on it. We double up. And then, we're done with the pod. We don't have to do a Summit next year.

Chamath Palihapitiya

Really, really good idea, Jason. Really, really good idea.

Jason Calacanis

Let's do it. Let's let it roll. Alright. God, this is so much action for us. I don't know if we can continue, but there's more stories to come. And just buyer beware. I mean - if you're betting on this stuff - I mean - what do we have to tell you? If you're betting on GameStop -

Chamath Palihapitiya

No, we don't have to tell you anything. You're an adult.

Jason Calacanis

You're an adult. Do the right thing.

Chamath Palihapitiya

Go do - go do your own job.

Jason Calacanis

Well, here's something really interesting.

Chamath Palihapitiya

Put on your seat belt. Drive from point A to point B.

Jason Calacanis

Put on your big boy pants.

Chamath Palihapitiya

Don't drink and drive. Don't use drugs. I mean - it's like all of a sudden like we need to govern how you're not a -

Jason Calacanis

Yeah, exactly.

Chamath Palihapitiya

- functioning adult.

Jason Calacanis

Hey, by the way, if you swim in Cape Cod alone in the deep water in the kelp bed, you might get hit by a great white shark. I mean - come on.

Chamath Palihapitiya

Or do whatever you want. And please just take responsibility -

Jason Calacanis

Absolutely.

Chamath Palihapitiya

- for yourself because it's not our job.

Jason Calacanis

Absolutely. And - and - you know -

Chamath Palihapitiya

I'm responsible for my children, not you.

Jason Calacanis

Well, I mean - also, is - is - I just want to ask one question here. Is there anything with the short selling? There could - there could be more disclosure on that, Chamath - that - just if the SEC was going to do something. I hear that bubble up once in a while. Should - should short sellers be more disclosed?

Chamath Palihapitiya

I - I really think - I really think that's a very good idea. I do think that there are some short sellers who are doing it because they have to hedge a position that they have.

Jason Calacanis

Mmhmm.

Chamath Palihapitiya

But then, there are other short sellers who are doing it speculatively. And there are synthetic instruments that banks will sell you to go massively super short. That's how you can get a situation where 140% of the stock is sold short, which doesn't - which shouldn't make sense. If there's only 100 shares of a company, how could it be that 140% shares are sold short? It's because you can have these synthetic derivatives.

Jason Calacanis

Explain synthetic for the audience because I don't think people know this concept.

Chamath Palihapitiya

So, there - there are ways where if you have a formal trading relationship with Wall Street. And -

Jason Calacanis

Okay.

Chamath Palihapitiya

- you need - you need to be of a certain size. And they go through a diligence process. They give you - so, you know - I have one - called an ISDA. And it's, essentially, an account and a framework that you negotiate with a bank that allows you to call them and say, "Hey, give me A, B, or C." And other times, they'll call you and say, "Hey, I have this really interesting way to play X, Y, Z." And one of the things that you can do with them is you can say, "Listen, I want to go super, super long or super, super short a theme or a company." And they'll create a contract with between you and them that will allow you to get that kind of exposure. Now, you're not supposed to do that on a regular basis nor are you supposed to lever this up. This is actually what blew up a different hedge fund called Archegos.

Jason Calacanis

I remember. We covered it.

Chamath Palihapitiya

And in that, I guess what happened was the gentleman was calling many banks -

Jason Calacanis

Oh.

Chamath Palihapitiya

- and doing all these things. And one bank didn't know what the other bank was doing. So, all of a sudden, there was this massive synthetic leverage that he was getting on - I think it was News Corp stock. And then, they found out. Then, it was unwound. Then, he owed a bunch of money. He couldn't pay it. The whole thing shut down. The stock market went crazy. So, there does need to be -

Jason Calacanis

So, in a way -

Chamath Palihapitiya

- that disclosure. But there isn't a rule that says that. And every time somebody tries to introduce it, the broker-dealers basically lobby and kill it.

Jason Calacanis

So in a way, it's almost like a parallel universe where bets are occurring on -

Chamath Palihapitiya

Yeah.

Jason Calacanis

- outcomes in the stock market that are not tied to the stocks in the stock market.

Chamath Palihapitiya

Well, it is tied in the sense that, ultimately, it all needs to feed back to an actual physical share.

Jason Calacanis

Ah.

Chamath Palihapitiya

And so, this is where all this price behavior gets further amplified. I think the point is that these forms of expressing risk -

Jason Calacanis

Yes.

Chamath Palihapitiya

- can really amplify what would otherwise happen. So, in Friedberg's example, most people would sit there, get the financials - some would maybe say, "Historically, this thing looks like a short. Or I wouldn't even buy it at all.", right? But other people might say, "Well, if I listen to

the chairman and I think about the future, maybe I go long." That's a - that's a fine thing. You can enter the stock market -

Jason Calacanis

Sure.

Chamath Palihapitiya

- and do that. But all this other stuff amplifies all these things to a degree that we're not really used to.

Jason Calacanis

And let's be honest, the people who are betting - I'll use the word "betting" here - the people who are betting on these things are not looking to get a 7% return or beat the average. I mean - they're looking to double their money in 48 hours. They know what they're getting in for. They're just walking up to the roulette table and putting \$10k on black or red. And then, clapping and seeing five reds in a row and saying, "Oh, it's got to be black next." I mean - they're Phil Hellmuth'ing this.

Chamath Palihapitiya

They don't say that when they lose the money.

Jason Calacanis

No, of course not. Yeah, no - no personal ownership here. Well, here's an interesting thing that's sort of related. A little bit of jurisdiction shopping or placing of companies and products continues. And Texas is very hot in this regard. BlackRock and Citadel are backing a new stock - a new stock exchange to take on the New York Stock Exchange and the Nasdaq duopoly. So, according to the Wall Street Journal, the exchange would be based in Texas and called the Texas Stock Exchange - or the TXSE. They've raised \$120 million so far. That seems like a lot of number. And the general pitch here is the New York Stock Exchange and Nasdaq have become expensive and they've been increasing their compliance costs. Nasdaq has a new board of diversity target that went into effect at the start of this year - all the DEI stuff. And so, this exchange is pitching itself as a CEO-friendly and the anti-woke exchange. So, here's the planned timeline. File an SEC registration docs later this year. Start facilitating trades next year. Host the first new listing in 2026. Interesting, I guess, that Citadel and BlackRock are in this group because they could bring a lot of business, obviously. And you know some of this other stuff that's been going on with Texas. Texas is now Tesla's corporate headquarters. They moved it from Palo Alto in California to Texas in - in 2021. Your thoughts here, Chamath, on moving?

Chamath Palihapitiya

Love it.

Jason Calacanis

You love it?

Chamath Palihapitiya

Absolutely, love it.

Jason Calacanis

Okay, why do you love it so much, Chamath? Tell me. Competition?

Chamath Palihapitiya

I do think that it's hard right now for companies to get access to capital. I think more diverse and more flexible ways where smart investors can allocate their money into the ideas that they want are better. I think that the duopoly hasn't created enough competition. So, the Nasdaq and - and New York Stock Exchange haven't innovated. And in fact, they've - they've probably been a little regressive in terms of filing requirements, listing requirements - in terms of board composition. They've fallen for a bunch of things that don't actually point to the economic rationale or value in a company. And so, I think if you have a third player, there's a chance that more competition will create more rational behavior, which will flow into the companies themselves. So, I'm a huge fan of this. I - I think that the - the stock exchanges right now are too brittle. Because - and there's - and then, a large reason is because there's only two of them.

Jason Calacanis

Friedberg, any thoughts for you about more options or listing companies?

David Friedberg

Well, I think part of this is, actually, there's been these rules imposed by Nasdaq and New York Stock Exchange that have tried to enforce, upon the listed companies, rules and regulations that are not tied to securities laws - including some of these aspects of diversity of your board. And I know that there have been a lot of public company board members and CEOs that have quietly tried to push back on these rules - that they're imposing social systems upon - you know - what is, effectively, a regulated exchange. And so, there's certainly like an interest and pushing for a - a competitive marketplace for exchanges. There was a survey done recently that showed - I got to find some of this data - but it showed the cost of going public on Nasdaq, AMEX, or the New York Stock Exchange was about \$7.4 million. Cost of going public through an over-the-counter bulletin board listing service was about \$2 million. And then, there's these additional - kind of - rules that are being imposed if you want to be listed on the big boards. So clearly, there's interest. And it's great to see a competitive market emerge, you know? How - how - there have - by the way, there have been other attempts. There's that long-term stock exchange. You guys remember that a couple of years ago?

Jason Calacanis

Yeah. That was -

David Friedberg

That was meant to - kind of - incentivize long-term holdings. There was two other equity security exchanges efforts made in the last couple of years that didn't take off. So, this isn't super novel in terms of like seeing a new challenger exchange step up, but I think more competition is always better.

Jason Calacanis

Alright. In other news, Apple and OpenAI have reportedly struck an iPhone deal. According to Bloomberg, Apple is going to announce a major partnership with OpenAI at WWDC next week. ChatGPT will be integrated into iOS, which means Apple is outsourcing its AI chatbot - at least, at the start. I guess you could argue it benefits both sides because OpenAI gets access to over a billion phone users and Apple gets a native integration of a top-tier language model. Terms are not clear, but most people think this is going to be a short to mid-term deal with Apple building out its own AI chatbot in the future. But it's just not ready for prime time right now. Also plans to make Siri AI-powered and bring AI features to the Apple ecosystem. You may have heard that Apple is going to try to let Siri dive deeper into apps - i.e. if you were ordering your DoorDash, or UberEats, or an Uber, or a Lyft, or whatever - it might actually be able to execute those things inside of an app. Interesting line from the article, Apple "executives were concerned about reputational damage from a rogue chatbot. Some people within Apple have a philosophical aversion to having a chatbot at all". Very interesting. So, thoughts on this, Sacks? Just getting you back in the loop here.

David Sacks

Well, we kind of predicted that something like this could or should happen. We said that the big win for Apple in AI would be to make Siri actually work based on LLM because Siri just - you know - it's understanding of language just historically has not been great and that's really limited the usefulness of it. Imagine if Siri worked with the conversational abilities of ChatGPT-4o. If it had that level of semantic understanding - if it could talk to you the way that 4o can talk to you, that would make Siri really powerful. And you know - for me, Siri is a feature I've turned off because it's so annoying, but -

Jason Calacanis

Oh, it sucks, right? It never works.

David Sacks

If you give it the power of the best OpenAI model - and then, the speed of running it natively on the iPhone - I don't know what they're going to do about that, but presumably there are things they can do to speed it up. And then, you give it access to the internal APIs you're using to control apps.

Jason Calacanis

Yup.

David Sacks

That would be really powerful -

Jason Calacanis

Huge winner. Huger winner.

David Sacks

- because now Siri could be an agent that you can just tell it to do things and - you know - not just ask like the weather, and the time, and set alarms.

Jason Calacanis

Well, what's really interesting, I think, about this deal, Chamath, is Apple is having a hard time getting people to upgrade their phones, right? And people have lost faith in the stock. Now you say, "Hey, we're going to put a language model on here. You can make it a local language model and have it be privacy-protected. So, that means you need more memory on the phone. You're going to need another chip on the phone. It's going to..." There's a distinct reason to upgrade now. If you had a language model on your phone and Siri was like this super Siri that actually got stuff done, I would upgrade my phone immediately. And right now, I skipped two or three generations. What are your thoughts on this as a way to maybe reinvigorate the iPhone franchise, Chamath? You buy it or not?

Chamath Palihapitiya

No. The problem is that we don't know what the right form factor for a super-scaled consumer AI app looks like. So, we've all - all - again, I'm not trying to be a wet blanket. It's just that when you look at what's building and built so far, I think most of the things we've seen are the Friendsters and Myspaces of this class of app. We haven't seen the Facebooks and the Instagrams yet. And the reason is because we haven't experimented and pushed the boundaries of the form factor. So for example, in the first phases of social networking, the idea that you would collect information about all your friends and then create something called a newsfeed was totally shocking.

Jason Calacanis

Yeah.

Chamath Palihapitiya

And I remember when we first released it, people got really upset. And then, it just became this de facto -

Jason Calacanis

Why were they upset about it? Tell me.

Chamath Palihapitiya

Well, it's this idea that you collected this information and then you presented it - about all of your friends - was disconcerting initially -

Jason Calacanis

Got it.

Chamath Palihapitiya

as a feature. Now, if you don't have a newsfeed of some kind in your app - for many apps, it's DOA, right? So, the same problem exists today. All we've done today is we've replicated an existing use case with a slightly better feature here or there. Nobody has gone out and said, "On a blank canvas, let me completely reimagine how consumers want value with these things to enable it." And until that happens, we're just wasting time. So, the idea that Apple, with this \$1,000 device, is all of a sudden going to figure out that this is why you're going to upgrade, I think, is pretty speculative and I think they're going to be disappointed. I think people have realized that four generations ago was more than enough.

Jason Calacanis

Hmm.

Chamath Palihapitiya

And on top of this, the stuff that you value inside the iPhone is not what you're going to need for AI. So, you know -

Jason Calacanis

Actually -

Chamath Palihapitiya

- spending a trillion billion dollars on the fourth camera lens is not going to be what solves this problem. And so, you're more likely to have a very simple earbud that is - you know - very inconspicuous and discreetly in your ear well speaking information to you than you are - and with a companion \$500 phone - than I think you will be with a \$1,500 iPhone.

Jason Calacanis

Ah, you're - you're in the new form factor. I - I'm going to take the other side of the camp. I think that because you have this data on your phone - all your iMessages, all your documents, all your photos, videos, music collection - there's a unique set of data on that phone to make your personal LLM that's going to do extraordinary things for you because it's going to watch you and all your behavior on that phone. And man, if I can have a personal

LLM that's been watching me order very specific sushi rolls or - you know - where I send my Ubers, what type of Ubers I like, what - what music I play, I feel like that LLM -

Chamath Palihapitiya

You don't need a \$1,500 - my point is you don't need a \$1,500 device to do that. So, if you spend \$1,500 -

Jason Calacanis

I know, but it's - I'm talking about the dataset - is so cool. Don't you agree -

Chamath Palihapitiya

But the dataset is not theirs.

Jason Calacanis

that the dataset is so cool.

Chamath Palihapitiya

Uber has the data. DoorDash has the data. Apple has nothing.

Jason Calacanis

No, you're missing my point. The data of me clicking on the screen. That pattern -

Chamath Palihapitiya

That is not Apple's to collect. It's not their - they're not allowed.

Jason Calacanis

Oh, I think it is. I think they'll collect it, put it in there, and encrypt it.

Chamath Palihapitiya

You would have to - you would have to fundamentally change the SDK. The idea then that Apple can take a tax on that is outrageous. I think the whole app economy would blow up if Apple tried to do that.

Jason Calacanis

Ah, I think it's the opposite. I think the app economy would thrive. You'd be having this a great thing where I could tell it, "Order the same thing I ordered on DoorDash yesterday."

Chamath Palihapitiya

I encourage Apple to try to change the terms of service and see what happens.

Jason Calacanis

Okay, Friedberg, your thoughts on this? Any thoughts? No, okay. Well, let's get to this. It's time for Science Corner. Temperatures in the Atlantic Ocean are alarmingly high. Friedberg, a couple of weeks ago, we saw this crazy chart on the X about the Atlantic Ocean temperatures pre-Hurricane Katrina right about now. And take us through this because it's very disconcerting.

David Friedberg

There's not much to talk about except to highlight this image which shows -

Jason Calacanis

Okay.

David Friedberg

Again, we talked about this a few months ago. Hot ocean temperatures drive hurricane and tropical storm activity because as the wind - the air above the ocean starts to move the energy from the ocean gets pulled out - you know - like things cool down. The water cools down. But that energy actually goes back into pushing the wind to move faster and faster. And that's how tropical storm, cyclones, and hurricanes are formed - is warm ocean temperatures. And there's been this - kind of - persistent warming since last year in the Atlantic in this particular region where all the hurricanes form. And normally, the hurricane season starts - kind of - call it August to October. Right now, we are seeing temperatures that are so far beyond what we've seen anytime historically. This image that you're looking at here actually compares the ocean temperatures right now in the Atlantic to where we were at the same time period in 2005 which was a record hurricane year, obviously, with Hurricane Katrina.

Jason Calacanis

Crazy.

David Friedberg

Right?

Jason Calacanis

Yeah.

David Friedberg

And so, the National Hurricane Center - a lot of the climatologists are forecasting that over the next couple of months, we could see and should expect to see probabilistically much larger, stronger, bigger, more frequent hurricanes than we've ever seen historically. So, we'll see if it plays out. Just a very small tidbit of news to share. Thought it'd be worth

highlighting. Not getting a lot of main - mainstream media press attention, but - you know - certainly -

Jason Calacanis

Let me ask you to just confirm a couple of things for me because we live in a time where people are questioning science and scientists. And we - we have institutions we don't trust - whether it's three-letter agencies in Washington or scientists and all these papers being written and everything we're finding out. And nobody trusts anybody. And we're - we're sort of resetting trust. I want to just ask you as somebody I trust as a scientist. Number one: Global warming - temperatures increasing. Putting aside - you know - what we do about it. Temperatures in the ocean - it is undeniable - are increasing at a rate that you would describe as concerning. Am I correct?

David Friedberg

We have not seen, in the modern-era, temperatures in the ocean like we're seeing now. That's a fact, right? So, I -

Jason Calacanis

Okay, great.

David Friedberg

I'm not - I'm not going to do this whole big prognosis on everything - all in one - because I think that's where people feel like there's room for discrediting things.

Jason Calacanis

Yeah, that's why I'm trying to - I'm trying to atomize this.

David Friedberg

So - so, we - we can be - yeah, we can be very specific about things. Here's an example.

Jason Calacanis

Yes.

David Friedberg

So, this is the sea surface temperature going back to 1981.

Jason Calacanis

Okay.

David Friedberg

And as you can see, at this point in the year - and you know - the temperature oscillates because of the way this - the Earth tilts towards the sun. And so, at this point in the year, we

are seeing, right now, sea surface temperatures that are beyond anything we've seen historically. And it is continuing to climb. So, if this does not taper off or level off, we will see record sea surface temperatures in the August-to-October timeframe -

Jason Calacanis

Mmhmm.

David Friedberg

- which will almost certainly push massive hurricane events out of the Atlantic and they will find their way towards the continental US and Mexico.

Jason Calacanis

Okay. So, this is super clarifying. This should not be controversial to anybody. We have temperature readings in the ocean. And this is concerning.

David Friedberg

Just data. Simply data. It's just data, right?

Jason Calacanis

It's simply data. Right. So -

David Friedberg

Yeah.

Jason Calacanis

You know, putting aside what political party you're on and - and what you think about gas and oil vs. solar -

David Friedberg

I will tell you there's a lot of theories. One of - one of the theories -

Jason Calacanis

Yes, please.

David Friedberg

So, there's theories about El Niño. There's theories about climate change contributing to this. There's also a theory about sulfur dioxide that has now been banned in shipping and cargo vessels that -

Jason Calacanis

Okay.

David Friedberg

- go across the oceans. Last year, they banned sulfur dioxide use in the - the fuel that's - that's coming out of these. And sulfur dioxide actually reflects sunlight. So, as it goes up into the air - into the atmosphere - coming out of these ships, it actually blocks and reflects light.

Jason Calacanis

So, that would make the oceans cooler.

David Friedberg

And so, a lot of folks have said that over the last couple of decades, we've actually dampened -

Jason Calacanis

Hmm.

David Friedberg

- the temperature and the warming that's happened on Earth because of all the sulfur dioxide we've been putting up into the atmosphere. But because sulfur dioxide causes acid rain, environmentalists -

Jason Calacanis

Ah.

David Friedberg

- have been pushing for years to ban sulfur dioxide. The problem is with banning sulfur dioxide, you may have this other side effect - which is now more rapid increased warming -

Jason Calacanis

Got it.

David Friedberg

- of the surface and of the oceans. So -

Jason Calacanis

So, these are complex systems and you have - we - we should be delicate with them. If you were to give us a prescription here, Friedberg, what - what's like a basic prescription? Are we just experimenting in a way that is not advisable with - you know - this ecosystem? And - and - and - and - and - and we should just not run the experiment? I think that might be like a non-political, non-charged way to say it. Like this experiment is a little bit too crazy to run on the one planet Earth we have.

David Friedberg

Which experiment?

Jason Calacanis

The experiment of doing things that increase global warming, which would be -

Chamath Palihapitiya

You mean living?

Jason Calacanis

Well, yeah. I mean - not burning fossil fuels.

Chamath Palihapitiya

It's not an experiment. People are just acting in their own economic best interest.

Jason Calacanis

Yes. And if that economic best interest increases temperature so much, do you fear -

David Friedberg

I think - I think, Jason, there's a - there's -

Jason Calacanis

Do you have - do you have a fear, Friedberg, that it will compromise the oceans and - and damage them to a point that would be extremely concerning? Is, I guess, what I'm getting at.

David Friedberg

There is a reduction in biodiversity that's underway.

Jason Calacanis

Yeah.

David Friedberg

We can see that -

Jason Calacanis

Okay.

David Friedberg

- like using data. But to Chamath's point, humans have prioritized the progression of individuals forward. China had a billion people that came out of poverty in 30 years.

Jason Calacanis

Yeah.

David Friedberg

And they came out of poverty because of the industrialization -

Jason Calacanis

Making iPhones. Yeah.

David Friedberg

- of the production of consumable goods that that population gets to consume. They get access to more calories. They get access to more foods. They get to have cars. They get to have houses. All of that - making cement - making concrete - all of those things require industrial systems. And those industrial systems have a cost.

Jason Calacanis

Right.

David Friedberg

That cost is the dollar economic cost -

Jason Calacanis

Sure.

David Friedberg

- which we're kind of rationalizing with greater productivity. Then, there's this whole cost that's externalized, which is -

Jason Calacanis

Got it. We understand that. Yeah, sure.

David Friedberg

Right?

Jason Calacanis

So -

David Friedberg

So, that's the - the tension is like if you're wealthy -

Jason Calacanis

Sure.

David Friedberg

- if you're a wealthy nation - if you're the Western Europe or the United States, you get to stand up and say, "Stop carbon."

Jason Calacanis

Right.

David Friedberg

But if you're the rest of the world, you're like, "I want to have a home. I want to have a car."

Jason Calacanis

Right. You want to have the same evolution, Chamath, that America went through or Europe went through. Yeah.

David Friedberg

I want to - I - I want to progress as a - as a person. I want to progress as a society. And that's the tension that makes this a very difficult problem to resolve, which is: How do more the world get to progress while like being cognizant of the long-term footprint?

Jason Calacanis

Are you worried? Is what I'm trying to get at, Friedberg, as our sultan -

David Friedberg

I am deeply optimistic. So, let me just say this.

Jason Calacanis

Oh, yeah. Good. That's what I'm getting at. Are you optimistic or are you pessimistic? Tell us.

David Friedberg

I believe strongly that there is a strong relationship between the output of atmospheric carbon and the deleterious effects we see in ecosystems.

Jason Calacanis

Okay.

David Friedberg

That is something I feel like is true from data. I am not, however, as pessimistic that the world is going to end in the next decade or two because I see improvements in productivity - meaning how many units we get out for every unit in or how many units we get out for every unit of carbon that's emitted. And those productivity - meaning better technology systems - are rapidly changing how we make things and how people are accessing goods

and services. And I think that that's why I am like - because I'm a techno-optimist, I'm optimistic -

Jason Calacanis

An accelerist. Yeah. Got it.

David Friedberg

- about where things are headed - are headed. And it is also why I get very angry and upset about any efforts or attempts to slow down the adoption of technology because these things will pull people forward and make that happen faster without all the deleterious side effects that we've, unfortunately, had to do in the absence of technology.

Jason Calacanis

So, Chamath. I'll - I'll - I'll pull you into here. So, based on what Friedberg is saying here, yes these things are occurring. But the technology and the advances we're seeing - in but one example, solar - and then, some people might bring up nuclear and other ones. We just had Phil Deutch at my conference this week give a great talk on this. Solar is just getting so cheap. Batteries are getting so cheap. Putting batteries in your home. Putting solar in - you know - and then, putting data centers next to nuclear things. This is all adding up to: We can solve this problem. And - and - and so, you too, feel optimistic about this?

Chamath Palihapitiya

Yeah, totally. I think that climate change stalled when it was an emotional and philosophical rallying cry - largely of the left. When instead, it became something about resilience and domestic manufacturing. Both sides came together. And I think we're at a point now where the US's energy independence, plus the amount of reliance on non-carbon-based fuels, will drive a sea change in the United States. I think it'll be copied in Western Europe. And it's also going to be at enough of a low price point where it'll get embraced in the developing world. So, it's an - it's an incredible example of - if you want to take an idea and a bunch of solutions and want to die on the hill of messaging and platitudes, it'll make no progress. But if instead, you're willing to - sort of - be less extreme about it and actually just frame it in economic value add, all of a sudden everybody embraces it and it just becomes obvious. So, I think that we're going to do wonders over the next 20, and 30, and 40 years - all over the world - to push back on the general state of warming. But I think it will have happened because the economic incentives aligned, not because of a philosophical or emotional framing of the issue.

Jason Calacanis

Alright, everybody. This has been a very productive episode of the #1 podcast in the world - the All-In Podcast. And good luck tonight, gentlemen, with your fundraiser. I wish you great luck - David Sacks and Chamath Palihapitiya. Even if it's not my preferred candidate, that's totally fine. We could all differ and you can have a great, great event tonight. Good luck.

Chamath Palihapitiya

I have one thing.

Jason Calacanis

Okay. Go ahead, Chamath.

Chamath Palihapitiya

I have one more birthday in my family today.

Jason Calacanis

Making us all look bad.

Chamath Palihapitiya

This is one of the most incredible people in my life. Charismatic, funny, charming, intelligent. It is my bestie David Friedberg's birthday today.

Jason Calacanis

Oh, it is?

Chamath Palihapitiya

We love you, David.

Jason Calacanis

Aww. We love you, David. We had a nice little birthday cake at the Liquidity Summit this week for him. I had a - I had a cake made. Thank you for showing -

David Sacks

Happy birthday.

Jason Calacanis

Yeah, happy birthday. And here we go.

Chamath Palihapitiya

And -

Jason Calacanis

And?

Chamath Palihapitiya

It's also AK47 - Alan Keating's birthday today as well.

Jason Calacanis

Oh, you guys have the same birthday?

Chamath Palihapitiya

Another - another bestie.

Jason Calacanis

I love Alan Keating.

Chamath Palihapitiya

Shout out to Alan Keating.

Jason Calacanis

Alan Keating is one of my -

David Sacks

One is 45 and one is 47?

Jason Calacanis

What?! Here we go.

David Sacks

Did we just say that?

Jason Calacanis

It's karma.

David Sacks

Do you know the significance of that?

Jason Calacanis

Of course. He's going to win all the odd-number elections. And there we go. Here we go.

David Sacks

I think it's a sign.

Jason Calacanis

It's a sign. Listen, I wish - good luck to you all tonight. I hope that it goes off well for you - for you gentlemen. And listen, I would love to have Trump on the pod. Would love to have Biden on the pod. Like all things, we just want to have a great conversation here. We keep it respectful. Sometimes it gets a little chippy. But we love each other and we love you the audience for participating in this. Don't fall for the mainstream media's nonsense in trying to

divide and conquer. We've got important tasks to do and problems to solve in the world. And the way we do that is to great conversations. Hopefully, we've set a tone and example for everybody else of just how to do that. We still love each other and we - sometimes some elbows get flown and it's all good. Chamath - Sacks - good luck tonight. Friedberg, happy birthday.

Chamath Palihapitiya

Love you, boys. Bye bye.

Jason Calacanis

And we'll see you all next time on the #1 podcast in the world - the All-In Podcast. Tell your friends about it.

Chamath Palihapitiya

Love you, boys. Bye bye.

Jason Calacanis

Love you, besties.

[Outro Music]

Jason Calacanis

Alright, listen. Thanks to our friends at Eight Sleep. Sacks and I are both investors. And we both love the Pod 4 Ultra. They're - it's an incredible company that we both backed. And they are supporting the All-In Summit. And if you haven't used the Pod 4 Ultra or the blah blah blah - Eight Sleep. If you're haven't used Eight Sleep, it's awesome. Go to eightsleep.com/allin and use the code "allin". You'll get some sort of a discount there. Sacks, you love the company. You use the product, yeah?

David Sacks

It's a great product. And if you sweat like a pig at night like JCal, it's -

Jason Calacanis

Yeah. Yeah.

David Sacks

-it's particularly good for you. It'll keep you cool.

Jason Calacanis

Absolutely. It'll keep you cool. And if you're up all night because you have so much anxiety about Ukraine, Ukraine, Ukraine like Sacks, and you can't sleep, and your doom scrolling and tweeting all night, maybe this will help you go to bed finally - which I'm watching those

tweets. You're staying up to late, Sacks. Get some rest here. And use Eight Sleep to do it. And thanks to our friends over there - eightsleep.com/allin - code "allin". And you get like free hundie or something like that off the - off the price - really good deal. And we love the company. Okay. Last year at the All-In Summit, we had a wonderful talk by Jenny Just. And they have a very cool program called Power Poker. They're holding a 2024 summer bootcamp and tournament for women only. So, for the ladies out there - if you want to learn how to play poker just like the besties and Jenny Just, you can join this 4-week training class. You get a limited playing time. You play in a tournament. I'm gonna come and play in one of the sessions. But here's the great part. We donated a ticket because we think it's worth encouraging women to join the poker community. And so, there's a \$7,500 All-In Summit 2024 ticket at stake. There's only 80 spots. Go ahead and join at pokerpower.com/summer-bootcamp - pokerpower.com/summer-bootcamp. It's gonna fill up quick. I know a number of the women who work at my venture firm LAUNCH have joined. And they're looking forward to learning poker again. 80 spots. I think they charge a hundred bucks just to make sure you show up. And there's an All-In Summit ticket there for you. You can actually see the video of this podcast on YouTube - youtube.com/@allin - or just search "All-In Podcast". And hit the alert bell and you'll get updates when we post. And we're gonna do a party in Vegas - my understanding - when we hit a million subscribers. So, look for that as well. You can follow us on X - x.com/theallinpod. TikTok is @all_in_tok. Instagram - @theallinpod. And on LinkedIn, just search for the "All-In Podcast". You can follow Chamath at x.com/chamath and you can sign up for a Substack at chamath.substack.com. I do. Friedberg can be followed at x.com/friedberg. And Ohalo is hiring. Click on the "Careers" page at ohalogenetics.com. 3, 2... okay, everybody. Follow Sacks at x.com/davidsacks and check out Sacks' Slack killer, Glue, at glue.ai. I'm Jason Calacanis. I am x.com/jason. And if you want to see pictures of my bulldogs and the food I'm eating, go to instagram.com/jason - in the first name club. You can listen to my other podcast This Week in Startups. Just search for it on YouTube or your favorite podcast player. We are hiring a researcher. Apply to be a researcher doing primary research and working with me and producer Nick - working in data, and science, and being able to do great research, finance, etc. - allinpodcast.co/research. It's a full-time job working with us - the besties. And really excited about my investment in Athena. Go to [athena-wow](https://athena-wow.com) - athena-wow.com - and get yourself a bit of a discount from your boy, JCal - athena-wow.com. We'll see you all next time on the All-In Podcast.