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The Rise and Rise of Bitcoin

By Patrick Lope

(WHIRRING)
Don't be filming
my passwords.
I used to have
a shirt in high school
that said "technology must be
used to liberate the individual."
And I didn't really know
what it meant for years,
'cause I didn't
really think about it.
But today I look back and I'm like,
"oh man, hell yeah, I like that shirt."
I'm glad I wore that shirt,
'cause it's how I really feel today.
My name is Daniel mross.
Today is may 3rd, 2012.
I go through college
and watch the Internet come
and all these different things.
And now, like, bitcoin,
it's just a single technology
built on top of the Internet,
but it's so fascinating
because there's so many
freaking things
you can do with it.
It's also just
a big experiment.
There's no guarantees
with it.
We might just all be
wasting our time...
Exploring concepts
and ideas.
It's at this crossroads
of technology
and philosophy
and politics and everything.
Just be a part of it.
It's fun.
It's crazy though,
but it's fun.

NICK MROSS:

Um, first question is
what is bitcoin?

- (CHUCKLES)
- (DRAMATIC MUSIC PLAYING)

DANIEL:

I can't tell you what bitcoin is
in just a few sentences.

It takes time
to understand it,
the same way it took
people time to understand
what the Internet was
back in 1994.

That little mark with the "a"
and then the ring around it.

- "At"?
- See, that's what I said.
- Mm-hmm.
- Katie said she thought it was "about."

- KATIE:

- ELIZABETH VARGAS: Oh, Internet is...
- That massive computer network...

- KATIE:

...the one that's becoming
really big now.
Allison, can you explain
what Internet is?

DANIEL:

When the Internet was taking off,
I was in college
at Virginia tech
studying computer science.

Looking back,
it's amazing to think about
how much the world
was changing.

Hey, Dan,
ready for the game?
I'm just finishing up here

with my new kayaking friends.
Kayaking friends
on your computer?
Yeah, I just got
America online.

DANIEL:

innovation is happening again
with bitcoin.
It's the smartest people
in the room
that are the most excited about this.
So what are they seeing?

DANIEL:

the way the world communicates
bitcoin changes
the way money works.
You can basically put
a bank in your pocket.
Psst!
Wanna buy some
secret stuff?
There is now a new note
that people are starting
to talk about...
the bitcoin.
The money of the future.

DANIEL:

Bitcoin was created to provide
an alternative
to the banking system.

GEORGE W. BUSH:

We're in the midst
of a serious financial crisis
and the federal government
is responding
with decisive action.

DANIEL:

Unlike most currencies,
bitcoins are issued according

to a set of fixed rules.
The idea was to create
money whose value
couldn't be manipulated
by a central authority.
The government, no matter
how many guns they draw,
cannot change
a mathematical problem.
They can point their guns
at "two plus two,"
but it's always
gonna equal four.

DANIEL:

It's fascinating to imagine
what it means to have
global decentralized money.
And that's what's happening.
(INSTRUMENTAL MUSIC PLAYING)
(BABBLES)
My five-year-old's birthday.
First round
of burgers is ready.
Second round is
going on in a second.
First round
of burgers is ready!
(PEOPLE CHATTERING)
First round.

ELIZA MROSS:

Dan has always been an idea guy.
Bitcoin is the perfect
combination
of how can I change the
world and make it better,
but how can
I also be a nerd?
So mostly I've just been
supporting him
in this craziness.

DANIEL:

Eliza and I met in college,
and we've been married
for seven years.
We live in Pittsburgh,
where I'm from,
and we have three boys,
I've spent most of my career
as a database administrator.
But for the past two years,
I've been consumed with bitcoin.
Bitcoins come into existence
through a process called mining.
I build computers
to mine for bitcoins.
I'm glad that it's finally
getting a little bit cooler out.
My wife won't be as angry
that the basement is so hot.
I've still got a bunch of mining
rigs running right now.
Actually they're right down here,
if you wanna go take a look.
Here they are.
So what is bitcoin?
Bitcoin is
a revolutionary technology
that enables a new way to send
payments over the Internet.
(BEEPS) - You can think of
it as an open accounting system
where thousands of computers
all over the world
work together to track ownership
of digital tokens called bitcoins.
When you send
someone bitcoins,
the transaction is broadcast
to the entire network.
After it's verified,
it's recorded
in a public ledger
called the blockchain.
The blockchain
contains a record

of every bitcoin transaction that has occurred since the system began, and it's shared and maintained on the network, so everyone keeps the books, so to speak.

Most currencies are issued by a central authority that controls the money supply.

Bitcoin is a peer-to-peer system, so there is no central authority. Instead bitcoins are issued to users who help process transactions in the network.

This is known as bitcoin mining.

Bitcoin miners are specialized computers that do the work required to verify and record transactions in the blockchain.

As a reward for their work, the miners earn bitcoins, and this is how new bitcoins are released into circulation.

The system is programmed so that only 21 million bitcoins will ever exist.

And as time goes by, the mining reward decreases.

The result is a predictable supply that's governed by scarcity, making bitcoins somewhat like a digital gold. It's the first currency of the Internet.

And everyone
is free to use it.
With bitcoin, you can send
any amount of money
to anyone anywhere
in the world
as easily
as sending an email.
My brother Nick
is a filmmaker.
After hearing me talk about
bitcoin incessantly for months,
we decided to start
documenting things.

NICK:

I don't think we'll need the small camera.
- It can't hurt.

- NICK:

I have so much equipment.
Do you mind?
Damn, you really
cramped it up, huh?
Not that bad.
What do you mean?
- Jeez.
- Dude, they're right there.
Right in the back.
Right there.

DANIEL:

bitcoin was going to be huge,
and I knew there were a lot
of others like me out there.
Zipped my keys in my pocket,
so I don't forget 'em later.
Bitcoin was created by what's
believed to be a pseudonym,
a guy named
satoshi nakamoto.
Invented in '09
by a fictitious person
named satoshi nakamoto...

DANIEL:

On Halloween 2008,
someone using the name
satoshi nakamoto.
Posted on a cryptography
mailing list...
The post contained
a link to a white paper
in which satoshi proposed a new type
of payment system for the Internet.
It described a protocol that
used peer-to-peer networking,
proof of work
and public key cryptography.
For years, computer scientists
had been experimenting
with these technologies
to create digital money.
But satoshi discovered
a way to combine them
that had never
been done before.
In doing so,
he invented bitcoin.
There are no records
of nakamoto's existence
prior to the creation
of bitcoin.
On his profile page,
he claimed to be
a 34-year-old man
living in Japan.
Although satoshi nakamoto
is a Japanese name,
he wrote in perfect English
when communicating online
and went through great lengths
to keep his identity unknown.
Nonetheless,
programmers and cryptographers
all across the world recognized the
brilliance of satoshi's design.
And began collaborating with

him to further develop bitcoin.
In October of 2009,
the first exchange rate
was published.
Listing the value
of 1,309 bitcoins at \$1.
Bitcoins were cheap,
and through the following year,
they continued to trade
for fractions of a cent.
In the spring of 2010,
a Florida man named laszlo
decided to try using his
bitcoins to purchase something.
He offered 10,000 bitcoins
to anyone who would
buy him pizza.
A man in London accepted
and placed
a long-distance phone call,
ordering him two pizzas
from papa John's.
This is generally acknowledged
as the first bitcoin transaction
for a tangible good.
Bitcoin was
gaining momentum,
but in order
for it to thrive
the coins needed to be
more widely accessible.
A Tokyo-based exchange
named mt. Gox was
the first on the scene
to take hold of the marketplace
and trading volume
started to pick up.
By November 2010,
already 4 million bitcoins
had been mined.
And the exchange price
briefly spiked to 50 per coin.
The market awoke and bitcoin
was starting to look like

it might have real potential
as a currency.

His name is Julian Assange.
Assange and his colleagues
collect confidential information
and then make it public.
The release of 250,000
state department documents
no doubt presents a serious
dilemma for this country.

DANIEL:

Following a massive release
of secret
U.S. diplomatic cables,
donations to wikileaks
were blocked
by bank of America,
visa, mastercard,
PayPal and Western union.
An article in "pc world"
suggested that bitcoin
could be used
as a workaround
to send donations
to wikileaks.
One of satoshi's
last known posts
was in response
to the article and stated...
Shortly after that
satoshi disappeared
from the forums
and was never
heard from again.
Two months later the silk road
anonymous marketplace was launched.
It functioned
as an online black market
for drugs
and other illicit goods
and used bitcoin
exclusively,
because it made

the money trail
nearly impossible
to trace.

The silk road
caught the attention
of New York senator
Charles schumer
who was outraged
and publicly called
for a crackdown
on the site.

Heroin, opium,
cannabis, ecstasy,
- psychedelics, stimulants.
- (CAMERA CLICKS)
It's unbelievable.

DANIEL:

Throughout all this,
the exchange price
continued to climb.
By February of 2011,
bitcoin reached parity
with the U.S. dollar.
Sparking an influx
of new users and speculators.
By June the price had soared
to a peak of \$31
before it came
crashing down.
As the market tanked, the mt.
Gox exchange was hacked,
further shaking
the confidence of investors
and hammering the price
all the way down
to the \$2 range
by October.
While bitcoin enthusiasts
kept hope,
skeptics were quick
to share their hindsights
and rants on blogs
and in news articles.

Many thought that
the party was over
and that bitcoin was
on its way out.
I went online and I bought
one bitcoin last night.
Really? It's the future.
I don't know.
It didn't feel real.
No. Real's gonna change.
Just watch.
Today I sent
a total of...
2700 bitcoins
to butterfly labs.
I purchased, basically,
a custom-designed
bitcoin-mining
supercomputer.
If bitcoin fails...
Everything I have
is worthless.
(STAMMERS)
The bitcoins I have,
the computers,
the mining system
was all a waste of money.
But if it succeeds, then...
It will have been worth it,
I think.
(BEEPS) - The bitcoin economy
was a wild west in cyberspace
that was very attractive
to hackers and scammers.
Over the years,
tens of thousands of coins had been stolen
and 2012 proved no different.
Users had to be careful.
If somebody steals your bitcoins,
there are no consumer protections.
Sorry, they're gone.
You lost your bitcoins? They're gone
and you're not going
to get them back.

But after months of stagnation
on the exchanges,
the bitcoin price was
on the rise again.
The price of bitcoin today
is around \$7 u.S.D.,
which just had a nice
little bump this week.
By the end of the year,
the blogging site wordpress
announced it would start
accepting bitcoin payments.
And in early 2013,
the discussion forum reddit
also announced
bitcoin support.
They were the first major sites
to incorporate bitcoin,
and these milestones
signaled the beginning
of mainstream acceptance.
Bitcoin is the most subversive
technology on the planet.
This is a system that is growing
around the entire world.
So if it works,
if this experiment continues to grow,
it doesn't just help a few of us
in this state or in the country,
but it actually helps
everyone around the world.
(PEOPLE CHATTERING)

DANIEL:

As the bitcoin price hovered around
it's previous
all-time high of \$31,
I visited a libertarian
conference in New Hampshire.
It lost 20% and then it
gained 20%
in 20 minutes.
It is...
they're silly.

DANIEL:

Libertarians are among
the earliest adopters
of bitcoin.

Its nature as a currency
that isn't controlled
by central banks makes it
attractive to this community.
Once I was able to kind
of grok the basic concept,
it was like, "this is
the perfect money."

DANIEL:

This is what a bitcoin address looks like.
Think of this long string
of characters
as an account number where
your bitcoins are stored.
When you send
or receive bitcoins,
they are sent
to these addresses.
The addresses are
long and hard to remember
so using a phone
to scan a q.R. Code
is a fast and easy way
to read them.
Another good thing to know
is that bitcoins
can be broken down
to eight decimal places.
This means that you can send
fractions of a bitcoin.
So any amount of money
can be represented.
With bitcoin,
every transaction is public.
Everyone can see the amount
that is being sent
without necessarily knowing
the identity of the sender.

These guys even have one
of the first bitcoin a.T.M.S.

You just scan your q.R.
Code on your phone,
put in the dollar bills
and press the button.

Bam. Done.

Perfect.

You now traded your
worthless piece of paper
for real currency.

It's like, "end the fed?"

It's like, seriously, you think
you're gonna end the fed?

You're not gonna end the fed.

You're not gonna change
anything about the fed.

- Transcend the fed.

- Bypass the fed.

- Right, yeah. (CHUCKLES)

- That's what you should do.

My concern is how
the governments will react.

They can't kill
or stop bitcoin,
but they could impede it and they could
get in the way of its development.

DANIEL:

A few weeks later across the ocean,
a financial crisis was
reaching a breaking point
on the island of Cyprus.
Cyprus is on the brink
of going bust.

The rest of Europe
has agreed to a bailout,
but only if Cyprus raids people's
bank accounts for quick hard cash.

WOMAN:

money out of the cash machines
but electronic transfers
have been stopped.

- Never did I think that they would...
- (PEOPLE CHANTING)
...in a completely
unprecedented manner
resort to stealing money
from people's
bank accounts.

DANIEL:

The Cypriots had placed their trust
in the banking system
and it had failed them.
As news of the crisis
spread around the world,
bitcoin believers
were quick to point it out
as an example
of why a currency
free from government control
was needed.
There's actually
bitcoin ATMs
apparently being
set up in Cyprus.

MAN:

bitcoin looks
like an attractive prospect.

DANIEL:

While this was happening in Cyprus,
regulators
at the U.S. treasury
weighed in on bitcoin.
The financial crimes enforcement network,
known as FinCEN,
issued its first regulatory
guidance on virtual currencies.
The guidance implied
that bitcoin,
in and of itself,
was not illegal.
It was the perfect storm.
The situation

in Cyprus suggested
that bitcoin could function
as a financial safe haven.
And the approving nod
of U.S. regulators
was a green light
for investors.
The market agreed
and the exchange
price continued to climb.
(BEEPS)
It's moving from the super
super-early-adopter phase
to possibly
the early-adopter phase.

DANIEL:

Bitcoin was getting
international exposure
and people were starting
to pay attention.
This is actually a live,
updated map of the globe
and the lines represent
bitcoin clients.
Basically where the bitcoin
software is running.
And the length
of the line determines
how long it's been online
or how active it's been.
And every time
I look at this,
I swear it gets more
and more saturated.
You can almost see
an outline of the U.S. now.
South America...
you're starting to get it.
But the big news,
in my opinion,
is this... China.
You used to see one,
two, three, maybe.

And this is all within
the last three weeks or so.
That's the most
I've ever seen in China.
Look down here.
Indonesia, Singapore,
Australia, New Zealand.
The following week
it snowed in pittsburg.
I was eagerly awaiting the
delivery of two avalon asics,
state of the art computers
with chips specifically
designed for mining bitcoins.
Yifu guo is
at the forefront
of the new generation
of hardware,
and is the first
to bring them to market.
Everybody,
including myself,
had severely
underestimated
the mining market
and how big it is.

DANIEL:

When bitcoin began,
a standard laptop
was powerful enough
to mine hundreds of bitcoins
in a matter of days.
The technology evolved rapidly
over the past couple of years.
A lot of people
are getting into it
or still trying
to catch up.

DANIEL:

I was on vacation with my family
when the new miners were
scheduled to arrive.

The price of bitcoin
had rocketed to \$77
so I asked some friends
to wait at my house
to get them running
as soon as possible.

MANCINI:

(LAUGHS)
- I hope this is good. I hope it's
worthwhile. - Oh, definitely.
These are
new computer parts here...
- Excellent, excellent.
- ...Fresh in from China.
(LAUGHS) - All right,
it's not official until you sign.
There we go.

NICK:

Maybe down the road
you guys will start accepting
bitcoin one day, I bet.
- That's cool.
- Just a matter of time.

DRIVER:

All right.

MANCINI:

I notified Dan
and he has
a little response here.
Welcome to
the financial renaissance.
192.168.1.140.
255.255.255.0.
192.168.1.1.
That's the default gateway.
My first pull is gonna be
stratum.Ozc.In, port 3333.
Port 80,
but I can do 3333.
And when everything's all said and done,

for at least a little while,
it should be pulling in
10 to 12 coins a day.
That's gonna change though,
after another week.
It's gonna get
dropped down to, like, eight,
- just because the difficulty's just going
through the roof. - Yeah.
Everybody's firing
these things up,
so it's always
a race to stay ahead
and try to be the first guy
with the hardware, you know?
Oh, I'm getting pings.
Whoo!

MANCINI:

Yup, we're kicking.
We are accepting shares.
It is live.
We've got the Merlot!
(BOTH LAUGH)
(MUMBLES)
Hey, that looks
like johan.
Say, "I'm going to college
'cause my dad mines bitcoins."
Dad going bitcoins.
(LAUGHS)

NICK:

So, big day today, huh?
Big day.
Look at that. 104.
Current bitcoin price.
Broke 100 today.
It is April fool's day.
The price rising
so insanely high
is kind of
a little bit unprecedented,
so... I mean, it's bound

to pop a little bit.
Maybe.
I don't know.
Maybe it'll be at 225
in a week and a half,
so who knows?
Bitcoin styles...
could go up,
could go down.

DANIEL:

As the price passed 100,
we took a trip to visit
Gavin andresen.
He is known to have
worked closely with satoshi
during bitcoin's early days.
Here's the train tracks,
and he did say
there would be train tracks
maybe passing through.
Here we go.
This is Gavin's house.
Gavin is one
of the last people
to communicate with satoshi
before he disappeared.
Morning.
This is my brother Nick
- and his wife Ashley.
- Nice to meet you.

- ASHLEY:

- Nice to meet you.

DANIEL:

- good.
We're very excited
to be here.
Come in.
This is my humble house.
(DOOR CLOSES) - That's where I work.
This is where I live.
- Beautiful home.

- Well, thanks.

NICK:

Right there. Great.

- Got it.

- (DANIEL CHUCKLES)

How did you first
get into bitcoin?

Tell us a little bit of the
story of how you got involved.

I had been working at umass
as a staff programmer
in the computer science
department research group.

My wife's

a Professor at umass.

I actually quit
that job before going
on a six-month sabbatical
in Australia.

I just happened
to read a little blurb
online in somebody's blog
that mentioned
this bitcoin project,
which is an open-source
attempt to do money.

And it caught my interest.

I basically
just spent a few days
read everything

I could about it
looked at the source code,
downloaded the source code,
thought about it and I really
couldn't convince myself
that it would not work.

It seemed like satoshi
had thought of everything.

Since then...

I've just been sucked down
the rabbit hole.

DANIEL:

Bitcoin is open-source software.
With open-source software,
the code is
publicly available.
Anyone can look at it
and see how it runs.
And they can also contribute
their own changes.
Programmers like Gavin were able
to join satoshi to work on bitcoin
simply because
they were interested.
Over time, I think
satoshi learned to trust me.
He could see that I didn't make
very many stupid mistakes.
I never had any personal
connection with satoshi.
It was always
purely business.
And I think that's because
he was so worried about
people finding out
his identity.
I don't know why.
My last email to him
was telling him that I had
agreed to go visit
the folks at the c.I.A.,
so... (LAUGHS)
Whether that had something
to do with him
deciding to cut off
communication with me entirely...
he had been
pulling away before then,
but the c.I.A. Invited me
to come talk at the c.I.A.
And I agreed to do that.

DANIEL:

Knowing it would surely spark
conspiracy theories,
Gavin posted an announcement

on the bitcoin talk
discussion forum
to head off any rumors.
Having taken on
the lead developer position
since satoshi's
disappearance,
Gavin found himself facing an
increasing number of responsibilities
and public scrutiny.
Do your neighbors know that
you're kind of at the center
of one of the most
disruptive technologies?
I think... I think they know that
I do this wacky bitcoin project.
I don't think they know
quite how big it is yet.
Right now,
bitcoin's
a billion-dollar project.
When I started it was
this tiny little experiment.
And as it gets bigger,
the pressure
to not screw up
just gets
bigger and bigger.

DANIEL:

Two weeks later
the price soared past 150.
And some bitcoiners woke up
to find out they were
bitcoin millionaires.
23-year-old Charlie shrem
is the c.E.O. Of a company
called bitinstant.
Bitinstant was one of the first
startups in the bitcoin space.
In bitcoin's infancy,
people had to jump
through several hoops
to buy them.

One of the only ways
was through
the mt. Gox exchange,
but this process required
transferring money
through several
intermediaries
and could take weeks.
Charlie launched bitinstant
to streamline this process.
And to help people buy
bitcoins quickly.

- MAN:

- (CAMERA BEEPING)
- That's pretty nice.
- You go like that.
Yeah, sure.

DANIEL:

Today Charlie is being photographed
for an article
in "businessweek."

MAN:

One of the ideas they had
was that you're going...
throwing stuff up in the air
and they were gonna add
bitcoins in later on.
- Going like that?
- Yeah.

SHREM:

actually change the world.
But for this thing
to succeed,
we have to figure out
a way to get more money
in and out
of the ecosystem.
Look out the window a bit.
Totally... yeah.
Then you can look...

yeah, that's good.
And not show that I'm super
stressed out right now
and we have thousands of orders
that are being processed
and I'm bugging out,
trying to get the new site launched.
- No, don't look like that.
- It's crazy.
I'm trying not to,
but it's really hard.

SHREM:

Things have been insane.
(MOUSE CLICKING)
I haven't slept in days.
The price is just rising,
so a lot of people
are putting
money into it.

DANIEL:

Charlie can get bitcoins
to his customers
in about an hour.
But with the recent flood
of people
trying
to purchase bitcoins,
bitinstant can't fill
their orders fast enough.
When I pulled up our
customer service interface,
we have close
to 2,000 open tickets.
And that's just
from Saturday to this morning.
Nobody was ready
for this kind
of volume,
so we're trying
to catch up
with the volume
and keep everybody happy.

MAN ON PHONE:

Can you just sort of describe quickly what the last week or so has been like for you guys?

The last week or so saw our support staff go from two people to five people.

When someone offers you a seat on the rocket, you don't ask where the seat is.

You just get on the rocket.

Further, our volume has basically tripled in the past two weeks, going from a few hundred transactions a day to now two, three thousand transactions a day.

- NICK:

- Yeah, I did.

Actually, today is kinda my first day.

- Oh really?

- Yeah.

How does it feel to be a part of all this madness?

Um, well, madness, yeah.

It's overwhelming.

And what do you do for bitinstant?

I'm the c.F.O.

(CHUCKLES)

MAN ON PHONE:

Can you give me a daily estimate of how much money you're moving through your system?

Um, it's in the...

in the six figures

every day.

All right.

Well, thanks, Charlie.

- I really appreciate it.

- Thank you.

I don't know how the government

will react to bitcoin,

but I spend thousands

of dollars on lawyers every day

just to make sure that

I'm not gonna go to jail.

It's super terrifying.

I mean, I don't wanna go to jail.

(STAMMERS)

I don't wanna become

a martyr either.

(PEOPLE CHATTERING)

DANIEL:

Bitcoin was the talk of the town.

Charlie was

in the limelight

and could barely keep up

with media requests.

Within hours,

the price passed \$200.

SHREM:

First day of spring,

first day

bitcoin is over 200.

The start of a new era.

NICK:

Hi. Nice to meet you.

I'm the nice

warm loving mom

that makes him

live at home.

'Cause we can't...

we can't part from him yet.

(LAUGHTER)

MOTHER:

We love him too much.
This is where
it all started
and this is where
it still goes down.
I've been collecting money
from all over the world.
And it's just something
I did way before bitcoin.
I've been doing it
since I was a kid.
So it's funny that
I'm collecting all this...
Fiat that's
not worth anything
and then all of a sudden
I get into this bitcoin thing.
I realized
during high school that
I could never work
for anyone.
I made up a term...
psychologically unemployable.
I started bitinstant
while I was still
in my senior year of college.
Bitcoin currently is the largest
social-economic experiment
ever conducted
in the history of the world.
2013, possibly 2014,
will be the two years that
really make or break bitcoin.
Bitcoin is the first product
that's digital,
but it's also scarce.
I got some good news
last night that
part of our licensing deals
that we've been trying to do
for the past
few months are finally,

hopefully,
coming through.
We got approved
to be licensed
in 30 of the 48 states
in money transmission.
I've been working very hard
on trying to be compliant
in the legal realm
and with fincen's
announcement,
setting up a way for bitcoin
companies to legally exist,
that really changes
the whole game of bitcoin.
And for us,
it helped us get that last push
that we needed
from all the banks
and the regulators
to finally, hopefully,
get that licensing
that we need.

DANIEL:

Charlie's meeting with a realtor
to talk about
new office space.
Hi, Charlie,
nice to meet you.
- Hi, I'm Mitch Waldman. How are you?
- A pleasure.
- Got a minute?
- I have 10 minutes for you.
We're... we're a company
with no boss, essentially.
Everyone has
their responsibilities.
It's just
one big executive board.
- It's just one big executive board.
- Okay.
If I don't do my job,
these guys are all gonna yell at me.

So that's how we do it, but we get things done. - WALDMAN: All right. We're outgrowing this space, as you can see here.
- That's a good problem to have.

- SHREM:

Now Rachel said there was a great concern
- about security in this space.

- SHREM:

We're regulated, so we can't share an office
- with another company if they have access to us. - I get that. Our asset is our software. Our software is processing hundreds of thousands of dollars a day instantly. Really quickly. And that's on-site here? Or is it in the cloud? No, this is in the cloud. It's all in the cloud, but we monitor... we have to monitor everything from here...
- Right. - ...And debug, fix, take down, upload more...
- put up more workers. - We deal with high-volume data-oriented stuff every day. Very very sensitive customer data.

WALDMAN:

If there were not a doorman, at the very least the space would be designed in such a manner that there'd be a locked reception area. If we want to pursue a guard at some point, we could have them in that area.

- (WALDMAN SPEAKS)
- I absolutely think
- it will be at some point. It's just
a matter of time. - Really?
The potential
for theft is huge.
It's like operating
a bank, essentially.

SHREM:

That's pretty much it.
- Gotcha.
- It's basic stuff.
Yup yup. All right.
Any other words for me?
- Okay.
- Are you willing to handle the task?
- Sign me up, captain.
- (LAUGHS)

DANIEL:

the price got as high as \$266.
Every major news outlet
had taken notice.
Bitcoin fever was
at an all-time high.
It is getting
a lot of attention.
People are fascinated by
anything that makes new highs
every day for weeks on end,
which bitcoin has done.
In terms of the total number
of the people
using the currency,
I'm not sure,
but you can say
that there's a huge amount
of fluctuation
in the volume of trading.

DANIEL:

And then the price crashed.
Bitcoin lost more

than half of its value
in six hours.
From craze to crash.
It's the talk of many people
in the blogosphere,
and it's certainly suffering
some growing pains.
The value of the virtual
currency bitcoin has plunged.
It's been
a crazy day today.
I haven't slept
in like 40 hours.
Your order processed.
I don't understand
why we're still having
this conversation.
We refunded your order.
We sent you extra bitcoins.

MAN ON PHONE:

I don't care, man.
When it comes to my money,
I don't fuck around.

SHREM:

You need your stuff.
I hear ya, I hear ya.
It processed.
Your bitcoins
are there, man.

NICK:

what's been going on today?
- Crazy day, huh?
- Yeah, mt. Gox...
their whole system
pretty much failed
and their whole
trading engine is broken.
Pretty much caused... almost...
us to shut down for the day.
Further, the bitcoin price
has just been

wildly swinging up and down
it was down \$100 today.
It's gaining back up, but mostly
because people can't buy and sell
and they can't withdraw
and they can't deposit.
'Cause the whole thing
is just... it's just a Fritz.
So what we're trying
to do is figure out a way
to mitigate orders
somewhere else for now.

DANIEL:

Gox stuck in a nosedive,
the ripple effect is creating
chaos in the bitcoin markets.
(MAN MUTTERS)

SHREM:

I'm trying to figure out
why our orders
aren't going through.
Rachel, am I allowed
to take another advil
if I took one
an hour ago?
They've been having problems
ordering anything off of gox.
Yeah, I'm getting a lot
of customers emailing,
saying "it says 'executed, '
but it's not showing in the blockchain."

SHREM:

Dude, gox suspended trading.
- Really?
- Yeah.
"Orders placed
suspended until 2100."
What time...
what's 2100?

What? That's 9:

oh my God.
(SIGHS)
(PEOPLE CHATTERING)
If you bought at 150...
And then you're at 260,
and then you watch it
dip down back to 150,
do you panic some?
Yeah, absolutely.
I don't know what a bitcoin is.
I just bought it.
(EXASPERATED SIGH)
Fuck.
You see buy orders,
people buying
and selling
at such a wide range.
It doesn't make
any sense.

SHREM:

The a.P.I. Is just constantly failing?
Is that what's going on?
Or are we're not getting any orders.
(BIRD CHIRPING)

DANIEL:

Don't care about the price.
Speculators can play
musical chairs
all day long
for all I care.
I'm-I'm... I'm long.
I was focused on expanding
my mining operation.
The only people that
are gonna be shaken out
by this drop
are people that
are new to bitcoin.
Here's the avalons,
spinning away,
mining away.
And if everything

goes as planned,
we'll have 18 more
of these guys
in a couple of weeks.
Bitcoin is
a complicated thing.
You have to spend
some time looking into it
and understanding it
before you really care.
Now there's droves
of people that...
you know, are giving it more
than just that glance,
because the price
has gone so high.
And they have dollar signs in
their eyes like Uncle scrooge.
It's so much more than that,
and I think that's why
the people who are mining
and the people
who believe in it
are just
kind of holding strong.
When trading resumed
at mt. Gox,
the price fell
even further, to around \$70.
71 on b.T.C.- E.
Yeah, bitcoin...
it's volatile.
It's gonna be a long time
until we have stability.
That's the nature
of the beast.
Price discovery can be
violent and volatile.
There's gonna be a lot
of people that come and go,
and people
that scream wolf.
But at the end of the day,
the only thing that really

kind of stinks right now
is that everybody is
trading on one platform
that isn't doing
the greatest job, so...
Over time, hopefully we'll see
some more exchanges pop up
and get
some more options in.
People wanna keep
using bitcoin,
I'm sure the infrastructure
will come.

(BIRD CHIRPING)

It's just gotten
ridiculously busy.

I get an email
every two seconds now
- and pretty much more email than I...

- (LOCK BUZZES)

Than I can keep up with.

DANIEL:

Jered kenna is the c.E.O. Of tradehill.
The first U.S.- based
bitcoin exchange
to compete with mt. Gox.
He's also on the list
of bitcoin millionaires.

- (BARKS)

- This is finnegan right here.

Guard dog.

Hey, finnegan.

(MIMICS GROWL)

DANIEL:

Jered runs tradehill
out of a 41-bedroom
residential hotel
called 20 mission
that he also owns.

(WHIRRING)

We mostly rent out rooms to tech people,
startup people.

There's a lot
of bitcoiners.
I actually accept rent
in bitcoin,
which is great, because we have
a lot of international people.
(ACOUSTIC GUITAR PLAYING)
- Bitcoin!
- (LAUGHS)
Came to us
from the cryptogram
it came out of thin air
it saved us
from those nasty dollars
and won and yen
bitcoin.
- that's all I got. I'm done.
- (MUTTERS)
(LAUGHTER)
Digital currency
is gonna happen.
I mean,
it's... it already is happening,
and it will be
the future,
whether that's now,
10 years from now,
a hundred years from now.
We're going to be using
digital currencies
that don't depend
on fiat government.

DANIEL:

tradehill about two years ago,
but ran into problems
with a payment processor
and was forced
to shut down.
Recently
he met Ryan singer
and together they are
relaunching the exchange.
The business

we're in is
helping people
speculate, right?
Markets are
price discovery mechanisms.
That's what they're for.
People...
they buy, they sell,
there's the bid,
there's the ask
and the price moves.
And when it levels out,
then that's what
the market price is.
I can't even count the amount
of people that have said,
"bitcoin's not backed
by anything.
At least dollars
are backed by gold."
I've realized that a lot
of people believe that.
My grandfather,
he got me into investing
when I was a kid.
I was five years old.
I could explain a p/e ratio,
and what a bid
and an ask was,
and the difference between a
limit order and a market order
and all that stuff,
so for me,
I saw this as a way
that the average person
could actually take control
of their finances.
I just grew up
pretty nerdy.
I don't know.
Then like at 15 years old,
I decided I didn't want
to be a nerd anymore,
which was a mistake...

'Cause...
'Cause now I realize
it's pretty awesome.
In 1999
I joined the marines.
I was originally
with an engineering unit.
2005, I went over
to Afghanistan.
I was mostly working
with the Afghan national army.
It changed me a lot
as a person.
I've always been interested
in economics
and finance and technology
and cryptography.
I was
in a cryptography forum
and somebody I'd never met...
who was anonymously
in this forum
that I was chatting with...
sent me 10,000 bitcoins
just as a way to test
the system out
and see how it worked,
and I got 'em.
I'm like, "that's cool,
but what can I do with them?"
And he said,
"well, nothing yet, but...
If people believe
it has value, it will."
At the time, there was really
only one bitcoin exchange
it was mt. Gox.
I said, "we need an alternative.
Who cares if the technology
is decentralized
and the method of transfer
is decentralized
and the people are
decentralized

if all the trades are
in the same location?"

I thought that building
another exchange
to give more people
access to bitcoin
would be a key part
of bitcoin's growth.

The day we launched, we got a quarter-million
dollars in from user deposits.

And we said, "oh shit,
this is... this is real.

Yeah.

Hey.

We're all fans
of "the big lebowski,"
so we're gonna have
a "big lebowski" party.

Nice!

It's a...

Very exciting day.

30 gallons of white Russian
and hallway bowling.

- (MAN SHOUTS)

- Yeah!

KENNA:

but we party hard too.

Okay.

Okay, I'm good.

- **WOMAN:**

- I'm good. I'm not dead.

- (ROCK MUSIC PLAYING)

- (PEOPLE CHATTERING)

Yeah,

I'm the first one in the house...

That opened

a tradehill account.

WOMAN:

What happened?

In the same day

they went down to 90...

\$65 or something,
or \$90 a bitcoin.
I stopped smiling.
(LAUGHS)

KENNA:

we optimized for success.
We launched expecting
to have to do
hundreds of thousands
of transactions a second.
Right now we've got
about 15 people
in addition to that,
we've got about eight attorneys externally.
A lot of people are
depositing dollars.
A lot of people are depositing bitcoin.
We're getting more trading.
We're pushing that
from a business perspective.
Also, we're talking to people
who want to do more automated
trading on our platform.
Get robots trading
against each other.
We've stress tested this
and we can handle about
500 times as much volume
as mt. Gox was seeing.
So we'll see
what happens here.
The interest in us
is pretty crazy.
Just the news
with bitcoin
has really kind
of validated everything.
Now people are like, "oh,
you're not this crazy person
talking about some
digital made-up currency."
It's like, "oh, I've read about it in
'the wall street journal'

and 'the New York times.'
It's real."

KENNA:

We had an investor come in
and he said,
"hey, I really appreciate
your scrappy nature
and how you're hustling,
but I think it's time for you guys
to spend 30 grand a month on rent.
When you have
a billionaire client
and they want to come
check out your office
before they send you
a multi-million dollar wire,
asking them
to walk past pawn shops
- is not always the right feel.
- (LAUGHTER)

So we're leaving the mission.
We're driving into soma right now.
We're gonna go take a look at
what may be our new office space
pretty prestigious address...
one market.
Right now we're trying
to forge this path,
and we're trying to comply
with existing laws
and anticipate
future laws,
which is extremely expensive
and extremely difficult.
- Is there parking here?

- MAN:

Okay, is that
included with...
(CHUCKLES)
Of course.
- Right, what does that... how much does...
- (LAUGHS)

How much does that cost?

That's not terrible.

Whoa.

That's pretty sexy.

Twitter was here
for over a year.

- Yeah.

- Amazon comes and go every single year.

- Oh, fantastic.

- I have Macy's, I have j.C. Penney.

All the big ones,
they come over.

They are part
of the club.

KENNA:

We'll be here tomorrow.

- Picking it up.

- Thank you for the business.

- Thank you.

- I appreciate it.

Thanks so much.

- We move in tomorrow.

- NICK:

- just like that, huh?

- Just like that.

- That's how we roll.

- NICK:

that that deal

just happened so quickly.

What was it?

You just liked the space
and decided, "hey,

there's no point in waiting"?

We like the space,

we like the address.

We just don't have

the time to spend either.

We've got all kinds of important

stuff we're working on

and if we spend a week

trying to find an office,

and he and I put
20 hours into it
or 50 hours into it,
it's a huge waste of time.
I thought they'd be
in multiple bags
rather than one big one,
but hey...
I believe that bitcoin
will do to the banking industry
what email did
to the postal service.
It didn't make it irrelevant,
what it's forced
the post office to do
is concentrate
on their strengths
and less so
on their weaknesses.

DANIEL:

Mike Caldwell is the creator
of physical bitcoins,
known as casascius coins.
They're often featured
in mainstream media
coverage of bitcoin.
They're a novelty item,
collectables
that basically act
as physical carriers
for bitcoins.
But they do something
very important.
They give bitcoin a face.
Come on in.
Sorry, the kids
are sleeping,
so I'm just being quiet
so we don't... you know.

DANIEL:

Each coin has its own bitcoin address.
And the private key

required to spend it
is hidden
underneath the hologram.
This is where you make
the physical bitcoin.
Yeah. It's a random
smattering of things,
but I'm pretty careful
about the way I manage...
you know, the...
basically,
this is the credentials.
This is the hologram
and the private keys.
I'm pretty careful about those
and don't keep them here.
I normally do them
on this mirror
'cause that helps me get
the fronts and backs right.
There's so many things that
cryptography can do for us,
that if the world
just knew,
so many social problems
could be solved.
Cryptography can bring
fairness to elections.
It's too difficult
for people to understand
and someone needs
to bridge the gap.

DANIEL:

bitcoin to send money.
But many believe it will
revolutionize much more.
The technology
behind bitcoin
can be used to build
decentralized systems
with rules
that can't be cheated.
Now see, this is

my wife and my space.

- This is, you know...

- awesome.

It is what it is.

The more time goes by,
the more legitimate
bitcoin gets
and the more proud I am
to be associated with it.

Now what does
your wife do?

She does crafts.

She's a lot like me.

We just sit around
and make things all day.

It's just our obsession.

No, I'm not a drug dealer.

No, I'm not a criminal.

No, I'm not a terrorist.

I believe

in the rule of law.

I believe in structure
that builds society.

I believe in families.

I believe

in corporations.

I believe in all
the essential elements
that a civilized society
with law and order
need to be able
to function.

Focal length matters.

(WHIRRING)

Cryptography is the basis
for us being able to implement
the values we say we believe in.

CALDWELL:

This idea will never die,
the technology that bitcoin
brought to the forefront.

The genie is
out of the bottle.

DANIEL:

the bitcoin price
has been hovering
around \$100.

Bitcoins seem to have
weathered the storm,
but there's still much controversy
surrounding the currency.
The same cryptography that
insures a user's privacy
also allows it
to be used anonymously.

STEVE:

My father decided to retire
and he had an old
failing print shop.
I basically took it over
and I converted it
into an Internet place.
We're the only place
in L.A.
That supports
bitcoin right now.
This is
my linux system here.
It's a system that
also mines for bitcoins.
Makes about a dollar a day.
I just do it for fun.
I was really really
into the Internet,
literally in 1990,
1991, 1992,
and I had
the hardest time describing
what the Internet was
to people.
I would tell people, "well,
it's like this network of computers.
And the network
of computers
can talk with other

networks of computers
and then you could
exchange information."
And people would have
no idea what it was.
(BEEPS) - When people
ask me what bitcoin is
I have the hardest time
describing what it is.
And I'd surmise it as,
"it's basically money.
It's basically
an anonymous PayPal.
It's one of those things
that you have to use
before you understand.
Politically, I'm not
a very big fan
of either the banks
or federal reserve,
and bitcoin allows me
to get around that.
One of the programs we support
is a protocol called "Tor."
And basically what Tor does is
it allows you to communicate
to a website anonymously.
Tor is a program that allows
you to get on the silk road.
And this is silk road.
Basically, any drug
you want is available.
There's a lot of weed.
There's a lot of cocaine.
There's a lot of ecstasy.
But there's also
unusual drugs,
like if you want some sort
of anabolic steroid,
you can type "steroid."
You'll get
all the different types
of steroids
that are available.

Silk road itself is
not selling the drugs.
This is basically
a matchmaker
between buyer and seller.
Both the buyer and seller
don't know each other.
Both the buyer
and seller are anonymous.
It goes
on this web of trust.
If you want to, let's say,
buy this testosterone,
you'd click on this.
He has
99.3 positive feedback
from more
than 300 transactions.
So even though the contracts
aren't enforceable by law,
the reputation system
makes it so that
the system works
pretty well.
Oh, there's a fireworks section now.
I didn't know that.
Florida I.D.,
1.88 bitcoins,
which is around \$150,
something like that.
A forged
auto insurance card,
forged passport.
There is over
9,000 entries for drugs.
That's a lot.
I would say there's around
maybe five customers
that know about it
and use it.
It's a very small percentage
of the people that come in.
But the people
who do know about it,

specifically
come here to use it.
(ROCK MUSIC PLAYING)
What the customers do
with the computers
is pretty much
their business.
Another day in the office.
You gonna do
drug dealing of any sort,
silk road is
the place to go.
How many people are
selling cannabis right now?
It looks like 2,011 people
are selling cannabis.
They call me
Mr. bitcoin.
I probably been
dealing drugs
since I was like 17.
Right now I'm 26.
I think of it
as a global thing
when I'm on the computer.
I'm doing business
with the world.
Let's see,
they have blue dream,
sour diesel,
pineapple thai,
purple kush, girl scout cookies.
Purple pays.
When I first
heard about it,
I was laughing about it.
It took me a week
to just even think
about this for real.
"I can really make money
off the Internet?
Selling this type of stuff on the Internet?
You sure about that?"
This something I probably

may buy right here.
They have looks like
some good kush.
And some of these things
only take a day to get here
with no harassment
from nobody
instead of just being
on the streets.
Once you get the hang of it,
it's actually kinda fun
just looking through
different things.
"Mr. bitcoin."
I'm running with it.
I like the name.
You know what I mean?
I'm not gonna lie.
I get Booty off this.
I kinda like talking
about this stuff with girls.
Girls like that shit hot.
(LAUGHS)
"Oh, you're street, and you got
a little nerd knowledge?
This is great."
I have a lot of bitcoins
saved up already.
My business is doing good.
It's a fun way of doing
hustling these days.
The future brung
a different way to hustle
and I like it.

DANIEL:

With so many people using bitcoin
in so many different ways,
it's becoming apparent
that it can't be ignored.
- Let me see your driver's license.
- Oh sure.
This stays at the desk
until you leave the building.

DANIEL:

Today I'm visiting fincen,
a bureau of the U.S.
department of the treasury.
Despite having released
guidance on virtual currencies,
there's still a lot of uncertainty
surrounding their outlook
on the future
of bitcoin regulation.
Straight ahead and in the
big fishbowl-looking...
okay, great.

(BEEPING)

I'm not gonna say
we're gonna have
every answer
for you today,
but I mean...

- (SNAPPING FINGERS)

- **ASHLEY:**

(LAUGHS)

DANIEL:

Jennifer shasky calvery came onboard
as fincen's
director last year.
During her career,
she spent 15 years
at the department
of justice
where she specialized
in fighting money laundering
and organized crime.
Virtual currencies
have been on my radar
for a while,
even prior to coming
to this position,
because of,
unfortunately, the abuse
of some of them.

Bitcoin,
on the other hand,
is one that really
didn't come on my radar
probably until
I arrived at fincen.
Depending on
who you speak to,
the issuance
of our guidance was
either the best thing
that ever happened to bitcoin
or the worst thing that
ever happened to bitcoin.
Some accusing us
of trying to kill bitcoin
and others saying that
it somehow legitimized it.
Of course, neither of those
things I think is probably true.
And certainly neither of
those things was our intent.
One of the clear lines is
that if you're a consumer
who's using bitcoins
to buy goods and services,
the guidance
doesn't pertain to you.
We're focused more
on the places where we think
we have risks
to the U.S. financial system
from money laundering
and terrorist financing.
And I think
that might be kind of...
a lot of the bitcoin community
has a little bit of a fear
that bitcoin
may be characterized
in a way so as to tie it to some
bad actor ruining it for everyone,
when a lot of people that
are interested in bitcoin,

including myself, see it as just
this technology that we don't...
really don't wanna
see it falling
into the wrong
categorization
with all the potential
that's there.
Sure. So that innovation
around bitcoin
and the virtual economy
is really one of the more
interesting aspects,
I think, of this story...
the idea that
it can be used
to potentially serve
the unbanked out there,
just to provide
some really new services
that are convenient
for consumers.
The flip side of it
though
is that to be a part
of the financial system...
the U.S. financial system,
the global financial system...
also comes
with some responsibilities.
And those
responsibilities include
not allowing
your institution to be used
by criminals
and by terrorists.

DANIEL:

There's always been a concern
that the government might try
to stamp out bitcoin.
But perhaps they see the risk
of being left behind.
In may 2013,

the biggest gathering to-date
of bitcoin enthusiasts
and entrepreneurs
happened in San Jose,
California.

LINDSAY HOLLAND:

We're at bitcoin 2013.
It's the inaugural conference
of the bitcoin foundation.

ROGER VER:

and the vast majority of people
haven't even heard
of bitcoin yet.

It's more powerful
than every computer
on the top-500 list
combined.

It's an awfully
big world,
an awful lot of
things could happen.

Really, we've been
on a roller-coaster ride
and I expect, at least
for the next few years,
we're gonna remain
on a roller-coaster ride.

I happen to enjoy
roller coasters.

- I think they're fun.
- (APPLAUSE)

DANIEL:

Just a few weeks earlier
Cameron and Tyler winklevoss,
known for their involvement
in Facebook,
announce that
they own a 1% stake
of all bitcoins
in existence.

Worth around \$11 million.

- How's it going? How are you?
- Nice to meet you.

DANIEL:

They also made a \$1.5 million investment in Charlie's company, bitinstant.

We started looking seriously at it at the end of last summer and started purchasing around that time.

I think a light bulb just went off and we said, "wow. The implication of this could be enormous.

TYLER:

could have a bitcoin address, everyone in the world could be banked fairly quickly.

And when you consider that, it's a very powerful idea.

And bitcoin can make that happen.

We're going all over the world.

We're going to the u.K.

We're going to Australia.

We're going to...

we're already in Russia.

We're going to South America.

We're already in Brazil now.

You can buy bitcoin at any of our locations.

DANIEL:

satoshi might be here too.

I always wonder if somebody is...

if someone here
somewhere is...
Yes. I was planning... -
...Standing in the corner going...
(BOTH LAUGH)
What would he do?
What talks would he
be attending, you know?

TRACE MAYER:

bitcoin players in the market
meeting with
the venture capitalists
and they're all
beginning to posture
and that's
very exciting,
because
it means that
there's gonna be
a lot more
infrastructure
built out,
and lot more money
flowing into the space,
and it's really gonna be
a big bull market for bitcoin.

DANIEL:

One of the companies best known for making
bitcoin accessible for commerce
is Atlanta-based bitpay.
They are pioneers
in bitcoin
and provide a service
that enables merchants
to accept
bitcoin payments
without dealing
with its complexities.
We've grown about
a factor of 10
since the beginning
of the year.

We were doing about half
a million dollars a month...

- Yeah.

- ...Around the turn of the year,
and now we're doing
about \$5 million a month.

This is people using bitcoins
to buy real goods and services.

They're not day trading.

They're not exchanging.

They're actually
buying things.

I'm confident that bitcoin is
the most important invention
in the entire history
of the world since the Internet.

DANIEL:

Roger ver is an investor
in several
early bitcoin companies,
including bitpay.

His passion and enthusiasm
has earned him
the nickname "bitcoin Jesus."

VER:

It is going to change everything.
And all of you here
in this room
you're at the very
very forefront of that.
(CHEERS, APPLAUSE)

DANIEL:

Roger lives in Tokyo
but travels the earth,
spreading the good word of bitcoin.

VER:

days we've been setting up
a business per day to accept
bitcoin here in the bay area.
Today's business

is going to be
this super kyo-po
Korean supermarket.

So for you... you accept
credit cards right now?

- Right. - The credit card companies are
charging you 2% or 3%?

- Right.

- For bitcoin, you can do the same thing,
but they'll

only charge you 1%
and you'll still get dollars
in your bank account.

If you want,
you can choose to split
some of the payments
that you receive
into bitcoins
and then some into dollars
in whatever ratio you want,
so you can keep 99% in dollars
and 1% in bitcoin or 99%
in bitcoin and 1% in dollars.

- Okay.

- However you want. You can decide that.

DANIEL:

Roger is describing the service
provided by bitpay.

They take the volatility
of bitcoin's price
out of the equation
for merchants
by immediately converting
bitcoins to dollars
at the time of sale.

So right now we have
it set to 100% dollars,
so anybody that
pays here with bitcoin,
they'll deposit the money
into your bank account
the very next day
with only a 1% fee.

And I guarantee you
over the next couple of weeks
you'll have
lots of computer nerds
that love bitcoins
will be coming in here
specifically to shop
at your supermarket,
so that they can pay
with bitcoin.

The credit card companies,
just for processing the payment,
they take anywhere from...

1.5% to over 3%

and then on certain cards
there's even

a per-transaction fee,
like 20 per transaction
plus the percentage
of the transaction.

...\$11,000, \$12,000 a month
on the average that they just
take right out of our account.

I honestly think that
there's a really good chance
that bitcoins will be
more than \$1,000
by the end of the year,
because everybody who hears about...

"wait, I can send money
to and from anyone I want?"

It's impossible for anyone
to freeze your account,
it's impossible for anyone to block you
from sending or receiving these bitcoins.

...Euros,

so you can see
all these different currency
exchanges around the world
that exchange
to and from bitcoins.

You can see there's maybe between
50 and 100 exchanges now.

When I first heard about bitcoin and

started telling everybody about it,
if you looked at that same page,
there were less than 10.
And there's no central office that
they could raid or anything like that?
There's no central...
it's amazing.
There's no central office,
there's no central place
they could go to
and say,
"take Steve's bitcoins,"
or, "give Steve's bitcoins to Kevin."
Do this or do that.
So who's the owner
of bitcoins?
- Everybody that owns bitcoins?
- Yeah yeah.
Just like who's the owner of gold?
It's whoever owns some gold.
Short of shutting down
the entire Internet
in the entire world,
there's no way to stop bitcoin.
And hit "request payment."
And that's the q.R. Code
for your bitcoin address.
So I'm gonna scan that...
So now I have your bitcoin
address on my phone.
I think this is \$2,
so I'm going
to send you \$2
worth of bitcoins.
There it is.
You just received that many bitcoins
from me,
directly with no fee
and if you hit
the little green square
it'll show you the equivalent
amount in U.S. dollars.
So you just received
\$2 worth of bitcoins

directly from my phone
to your phone.
And you can send money just like
that anywhere in the world.
You could've told me
your bitcoin address
by email or posted
on Facebook
or Twitter or anywhere.
So I could print this
and have it at the register.
Yeah. Yup, and you can
check right on your phone
any time that you
received the payment.

- (LAUGHS)
- Okay. Thank you, Steve.

- STEVE:

- Thank you for the tea.
(CHATTING)

DANIEL:

standouts in the bitcoin space
is a San Francisco company
named coinbase.
They operate
a digital wallet service
that makes it simple to buy,
use and accept bitcoin.

BRIAN ARMSTRONG:

I would not be surprised at all
if Google, square, PayPal...
everybody...
is looking at adding bitcoin
in one or two years.
By then we need to have
50 million wallets.
If we can make this
easy to use,
it's gonna be huge.

FRED EHRSAM:

bitcoin is not politically motivated.

- Yeah, dude. - EHR SAM: People are realizing large capital gains.

When professional investors enter the realm, the stakes definitely change.

We raised \$5 million from Union Square Ventures.

Fred Wilson led the round there.

I think bitcoin is still actually a little bit under the radar.

I think it's moved past the stage where people dismiss it, but I don't think that it's totally gone mainstream either.

I think we're in that middle stage right now.

DANIEL:

At the end of the conference, jered from Trade Hill threw a party to celebrate how far things had come.

- You guys are hot right now.

- (CHATTERING)

- Yup.

- Congratulations on the raise.

- Thank you.

- It's good money, man.

- Swell do.

- Yeah.

I mean... - hopefully it's an advancement for the community.

I am completely pro-compliance.

I think if you don't want to attach your identity to this,

- just can't work with you.

- Yeah, so I thought I just need to...

I mean the libertarian side of me is like,
"ehh. Yeah, whatever,"
but like,
from a business perspective,
if people don't play
by the rules,
- you're not gonna last.
- Yeah, I completely agree.
- You're gonna just shut down or you're
gonna go to jail. - Yeah.

DANIEL:

Noticeably absent from the conference
were representatives
of bitcoin's
biggest exchange, mt. Gox.
Just days earlier the
department of homeland security
seized more than \$5 million
from their U.S. accounts.
The seizure warrant stated
that mt. Gox had failed
to register
as a money transmitter,
putting them in violation
of the new fincen guidelines.

(PEOPLE CHATTERING)

I'm traveling to Tokyo
to meet mark karpeles,
mt. Gox's reclusive c.E.O.
No bitcoins on here.
Not yet.

That will make this
completely unnecessary.

But for now it seems
kind of primitive
that we're exchanging
paper for paper.

- (CLICKING)

- (COINS CLINKING)

- NICK:

- And losing value.
Someone's taking a cut.

Someone's taking a little percent.
Mark and his
business partner gonzague
are French but they operate
mt. Gox from offices in Japan.
Originally mt. Gox was
an exchange for trading cards
used in a game called

"magic:

M.T.G.O.X. Stood for

"magic:

online exchange."
In 2011
mark's company tibanne
bought mt. Gox,
and his focus has been bitcoin ever since.
One of the conditions
of my visit
is to refrain
from any discussion
about the d.H.S. Seizure,
due to the ongoing
investigation.
We've arrived at mt. Gox.
This is
mt. Gox right here.
There's no big sign
or anything, no... no...
it doesn't look like a crazy
commercial establishment.
Despite
their legal problems
mt. Gox still handles more
volume than any other exchange
and is processing around
\$6 million worth
of bitcoin trades every day.
We had, last year,
an average of 10,000 new customers a month.
January, it was 20,000.
Then 30,000, 60,000,
150,000.

With what's going on,
we go down,
but we are reaching
100,000 new customers
- for may.
- That's amazing.
- In a month?
- In a month.
- Wow.
- So it was like this...
Zip, bup!
But still,
after what happened
I thought that a lot
of people will go away
or don't create
a new account.
But still,
100,000 new customers
it's... wow.
And here we've got
the office.
(LAUGHS)

DANIEL:

Mt. Gox employs 18 people
not only is mark the c.E.O.,
he's also the c.F.O.,
the lead developer
and performs all technical operations
to keep the exchange running.

(DANIEL SPEAKS)

- C++.

- C++.

Is that your main...

is that your main

- programming language?

- No.

I've got a lot of main
programming languages.

Yeah? What's your favorite
programming language?

Really depend

on what I need to do.

I create a good something
really quick
and I don't care
about performance,
I use p.H.P.
If I care a little bit
about performance,
I will use c++
with q.T. Available.
And if I care a lot about performance,
I will use axum.
When we go in,
cameras down first,
- until we get to your servers
and then back up. - Exactly.
Okay.
Getting ready to go into the mt.
Gox data center location.
Okay, cameras down.
We were allowed
to snap a few photographs
(KARPELES SPEAKING)
(SPEAKING JAPANESE)
(MAN SPEAKING
JAPANESE)

DANIEL:

If mt. Gox's new trading engine
can really support
100 million orders per second,
it should be able to scale with the
demands of professional traders.
But with complex legal problems
and increasing competition,
mark's attention is pulled
in many directions.
Do you work seven days
a week, typically?

- KARPELES:

- It seems that you do
the majority
of all the heavy lifting.
- (LAUGHS) Literally.

- **KARPELES:**

You need to remove
your shoes in the entrance.

DANIEL:

Mark is a talented man
in one of the world's
biggest cities...

But maybe he should stick
to computer keyboards.

(CLASSICAL MUSIC PLAYING)

(SCOFFS)

Okay, I messed it up.

- (CHUCKLES) Awesome.

- (NICK CLAPS) Yay.

Yeah.

Erik voorhees.

We are here in northern New Hampshire
for the porcupine
freedom festival.

And this is an event
put on each year
by the free state project.

Basically it's just a bunch
of crazy anarcho-capitalists,
libertarian types
in the woods,
with freedom
and families.

Pretty much all of the
vendors accept bitcoin.

- (PEOPLE CHATTERING)

- Ahh!

It tastes much better
when bought with bitcoin.

Thanks, guys.

Soups, salads and smoothies.

(CHUCKLES)

I would say one-third
of our sales
have been in bitcoin.

It's 20 bucks.

So you're gonna pay in bitcoin?

- Uh, yeah.

- All right.

Last year was
our first year accepting it
we did maybe 18 transactions,
20 transactions at the most.
And now we're
up to close to 120.

- (SIZZLING)

- (FOLK MUSIC PLAYING)

DANIEL:

one of the largest groups
of people
in the U.S., I think,
that is truly adopting bitcoin
and using it as a currency,
because of what it stands for
and because of what it enables.

(PEOPLE CHATTER)

The world is
seriously changing now
and it is changing
in a very interesting,
very radical,
decentralized,
and, in my opinion,
positive direction.
Shoot.

Here it is.

"Price breaks
the all-time high."

DANIEL:

Vitalik is only 19 years old,
but he has a profound
understanding
of the complexities
of bitcoin
and a gift
for explaining them.
As lead writer
for "bitcoin magazine,"
he's been traveling the world,

covering bitcoin for the past year.
I'm a big fan of the decentralization
concept, in principle.
You know, have lots...
lots of different societies
operating according to whatever
people's own beliefs are.
Bitcoin has unique properties
that no other system
in the world has had before.
It really seems like
the only practical way forward.
As you move away
from cash
into your debit cards
and your credit cards,
you essentially
are giving up
a certain degree
of your privacy
without even
really knowing it.
It's important to understand
that bitcoin is not
automatically,
perfectly anonymous.
But what it does is it enables you
to be anonymous if you wish to.

DANIEL:

Erik voorhees is the founder and part owner
of a hugely popular
bitcoin gambling site
called satoshi dice.
Satoshi dice is
the first of a new breed
of provably fair
betting games
that use bitcoin.
Since all bets are public,
anyone can verify
the odds and payouts.
At its peak,
satoshi dice was responsible

for more bitcoin transactions than all other uses of bitcoin combined. It played an important role in bitcoin's development as one of the first applications to really test what the bitcoin network could handle. Recently Erik moved his entire operations out of the U.S. And into Panama. He started a company called coinapult that lets you send bitcoin via s.M.S. And email.

VOORHEES:

I think most people, at least in America, believe that when they put \$1,000 into their bank, the bank is holding \$1,000 in its vault for them. And they don't realize that 99% of all the dollars are digital. The fact that we have these tokens called paper cash is the exception to the rule. People see the cash and they think that that's what the money is, but it's all digital and it's been that way for decades. You guys moved your business to Panama. What was the primary driver in that?

VOORHEES:

If you're a U.S. company, you have to follow the arcane U.S. regulations for all of your customers

around the world.
So if you do business with
some rural farmer in Africa,
you're gonna need to get
his social security number,
you're gonna need to get
all this information
that Washington tells you
is important.
We did not want
to have to apply
the U.S. financial
regulatory scheme
to customers
in sub-saharan Africa.
I don't think
the developed world's
gonna be where bitcoin
really takes off, long-term,
because our banking system's
worked decently well.
Many people around the world
don't have any
bank accounts whatsoever.
Ultimately, those are
the types of people
who will find
the most value out of bitcoin.

DANIEL:

One month later Erik announced
he had sold satoshi dice
to an anonymous investor.
The price?
126,315 bitcoins,
worth around
\$11.5 million.
Most of the new offices in this
city are in this condition,
all still
what's called "gray."
Not ready, no Internet,
no electricity... nothing.
But we actually got one

that was finished,
so we moved in and we are
super excited about it.
You can see
all the skyscrapers
of new banks and everything
getting built up here.
This is the financial center
for central America.
So it was fitting that we
establish ourselves here as well.
Still setting up the office.
We've been here
for two weeks.
We're getting
walls put in.
We've got furniture.

VOORHEES:

This is the brains of the operation.

- This is Mr. ira.

- Howdy.

He can program anything, and you can
see all these books he's reading.

What have we got here?

We've got "cryptanalysis."

We've got

"everyday cryptography,"

"introduction

to mathematical cryptography."

I read all of these, of course,

when I was much younger,

but ira's trying

to catch up with me.

The bitcoin phenomenon

is trying

to take control

of money away

from the state and return it

to individuals.

It's trying to separate

money and state

in the same way

and for the same reasons

that it was important
to separate church and state.
There's a wonderful quote
from one of the rothschilds...
"give me control
of a nation's money
and I care not
who makes its laws."
So I'm trying to play
my part in that narrative.

DANIEL:

Outside of the United States,
billions of people
don't have access
to basic banking services.
Bitcoin can level
the playing field
and help bring
developing nations
into the global economy.
(CHATTERING)
Cheers, cheers.

VOORHEES:

are going to use a currency
that is as free
as the Internet
because people will seek out
freedom wherever they can.
And just as the government
can't stop the Internet
and the freedom of speech, it can't
stop bitcoin and the freedom of money.
So we're just gonna have to see
how hard they try to do it.
It's scary
but it's exciting,
because at the other end
freedom typically wins.
We just have see how long
it takes to get there.
(SHOUTS)

DANIEL:

As summer rolled on,
the bitcoin industry
continued to flourish.
It's hard to remember
the days where I was
running this thing
out of my basement
and with one or two people.
Bitinstant was just
a domain name.

DANIEL:

Charlie and bitinstant
moved into
their new offices
I always wonder
if satoshi knew
that he was gonna build
something that would foster
companies like this,
where we're actually like
a company with jobs
based on something that someone
we don't know wrote a paper on.
It's kind of creepy
if you think about it.
I wonder if he's watching us
right now or something.

DANIEL:

In San Francisco,
jered and tradehill had moved
into their new space as well.
It sounds funny.
It's not a \$100-million market anymore.
It's grown beyond that.
More professional people
are in the space
and they're expecting to deal
with other professionals.

DANIEL:

But just as things were ramping up,

regulators started taking
a closer look at bitcoin.
Some bad news
for bitcoin, or is it?
Its days of glory
could be ending.
At least
two dozen companies
have been subpoenaed
by New York's
department of
financial services.
Can't be a good thing.

DANIEL:

Bitinstant, bitpay, coinbase
and winklevoss capital
were all issued subpoenas.
We want to make sure that
as this enterprise grows
and if it does become
a place where
a lot of people are engaging
in financial transactions
that we have sufficient
protections in place.

DANIEL:

in banking compliance issues,
bitinstant was forced
to suspend services.
Jered faced
similar battles.
Due to a lack
of regulation,
many banks decided to cut ties
with bitcoin companies.
Without a U.S. bank account
tradehill can't operate,
and jered was forced
to pull the plug.
Regulation typically evolves
much more slowly
than innovation.

And regulations
cannot keep pace
with the pace
of innovation.

SINGER:

Explaining bitcoin to a bank
feels like explaining
Amazon. Com
to Barnes & noble.

DANIEL:

Until lawmakers catch up,
startups like tradehill
and bitinstant
are left out on a limb.
Banks do not want to bank
bitcoin companies.
When you have regulation,
you can comply with it.
When you don't have any regulation,
they're not exactly sure.
And if the banks aren't sure,
they just default to "no."
New regulation takes
at least one year to develop
propose and adopt.
And in many cases,
it can take
much longer than that.

SHREM:

I won't let this go.
I will fight till the end
for bitcoin.
Whether I have to work on
the street or sell lemonade,
bitcoin's gonna succeed
one way or another
and I'm gonna be
a part of it.

DANIEL:

Over the past several months

the bitcoin mining landscape
has changed significantly
(MACHINES HUMMING)
(WHIRS)

DANIEL:

When I started,
bitcoin mining was
a hobby for geeks.
Now it's big business.
In order to continue mining
and continue playing
in the game
and be competitive
and be profitable,
I would have to spend
hundreds of thousands
of dollars on gear.
The 18 miners
I ordered from avalon
never arrived.
And the units
from butterfly labs
took over a year to ship.
By the time I got them,
bitcoin mining was
so competitive,
that I would never
be able to mine back
all the coins
I used to buy them.
See that computer?
That computer makes bitcoins.
And this is all the other computers
that are making bitcoins too,
and it goes straight up
in a line up in the air.
And that's 'cause
there's a lot people
that are making bitcoins
with computers like that.
As my new units
are arriving,
I'm selling them

for bitcoins
to try to recoup
what I can.
If you don't mind grabbing
those other cables,
- I'm not coming back up.

- NICK:

DANIEL:

I'm taking a pretty big hit...
But overall
the mining experience
has still been worth it.
My mining days
may be over,
but I'm still very involved
with bitcoin.
With bitcoin,
it's a money system where
it's backed by math.
It's back by the laws of mathematics
and by the rules
of the protocol.
I keep thinking that there's
gotta be an easier way
to just set up
a secondary protocol
to trade private keys.
Every time I log on,
I see another dot on China
and I'm like, this is why
right now the price has gone up.

DANIEL:

The price is nearing 150 again.
Many attribute it
to the explosion
of bitcoin's popularity
in China.
What's happened recently
is Chinese people
have really come
and adopted bitcoin.

As a culture,
as a nation
Chinese people are keen
to learn about
things that are
on the Internet,
things that involve
math and science.
We think that China can really
contribute in this space
and help bring bitcoin
to the mainstream.

DANIEL:

Germany's another part of the world
where bitcoin
has found a home.

WOMAN:

normal if one person a day
comes in and buys
a coffee with bitcoins.
People are looking
for a new way of paying...
not through banks,
not with Euros,
not with dollars.
Something new.

DANIEL:

The German ministry of finance
even became the first
governing body
to officially classify bitcoin
as "private money."
I believe if we want to get
some justice back
into our society,
we should reduce
the importance of the banks.
Bitcoin is banking
without banks,
so here we go.
The FBI today shut down

what it's calling
the most sophisticated
Internet site
in the business
of selling hard drugs,
including heroin,
cocaine and LSD.

DANIEL:

In the Sci-Fi section
of a San Francisco
public library,
undercover agents
surprised a young man
quietly working
on his laptop.
They arrested a 29-year-old
software engineer
named Ross Albrecht
and accused him
of being the mastermind
behind the silk road.
People have always tied
the silk road to it.
Media has always
tied the silk road to it,
as if silk road is bitcoin,
but it's not.
This may be a sign
that bitcoin is growing up.
It's funny. My friend
just I.M.'D me and said,
"silk road got raided
and the government seized
\$3.6 million in bitcoin.
Is there a way to invalidate bitcoins?"
(CHUCKLES)
I replied, "no."
- (DANIEL SPEAKING)
- (KEYBOARD CLICKING)
People are starting
to finally realize
that bitcoin has nothing
to do with how people use it.

It's just money.
It's like gold.
Of course,
not everyone thinks
bitcoin is the way
of the future.

JAMES ANGEL:

Bitcoin will not be able
to survive or thrive
without becoming legitimate.
I don't see it
having a serious place
in our financial system.
There are
really good reasons
why we have central banks
that have the power
to put out financial fires
by printing money.
I'm worried
about the technology.
As darth vader once said,
"don't put all your faith
in technology."
I think
10 years from now,
we'll look back on this
and just kind of chuckle
at the bitcoin fad.
"Oh yeah,
I remember bitcoin.
Oh yeah,
I remember that."

MAN:

It's financial freedom.
Come on, bro.
This is the new world, bro.

DANIEL:

Others are more optimistic.
I think
within 10 years,

you're gonna have a lot
of people using bitcoin,
but they're not gonna realize
that they're using it,
because it's gonna be a protocol
that's imbedded underneath
whatever financial service
they're using today.
And by bitcoin
being open-source
it's what can allow all these
different mobile wallets
and all these
financial technologies
to all talk to each other,
especially
around the world.

VOORHEES:

Whoever the hell satoshi was,
he should go down in history
as one of the greatest people
or groups of people
that ever existed.
This is a technology
that mankind has needed
for thousands of years.
People have been dealing
with monetary shenanigans
since the Roman empire
clipping gold coins.
And finally people
can escape it.
I'm cautious to try
to predict the future.
We don't really know.
I tend to be
a technological optimist.
I see the democratization
of technology
as being
a really positive thing.
And I think that's
a really powerful force

that is really
only just beginning.

Not bad. Oh!

(GRUNTS,
BREATHING HARD)

(LAUGHS)

(SIGHS)

Recently, as the price has
been floating around 200 again,
I have a lot of friends
that have asked me,
"are you gonna cash out
some of your bitcoins now?
The price is really high.
You should get some dollars out of it."
I kind of tell 'em,
"no, don't you see it?"
I've met so many
interesting people
and there seems to be
one thing that kind of binds
a lot of them together,
and that is that
they're willing
to face opposition
and follow through on the ideas
that they believe in.
The people who try
the crazy ideas
often fail and then everybody
likes to point their fingers
and laugh and say,
"that was such a stupid idea."
But once in a while
it works out.
I think bitcoin
is proving to be
one of those things.
The decision to bring
virtual currency
within the scope
of our regulatory framework
should be viewed as
a positive development

for this sector.
I'm here to testify,
because I believe
that digital currency
represents
one of the most important
technical
and economic innovations
of our time.

We are enthusiastic
about the potential
of virtual currencies
and the digital economy
for social good.

This latest generation
of technology
which we're talking
about today
takes things to a whole
new level.

There's a bit
of a shared
responsibility here
in trying to figure out
how to make this work.

It is a little strange
that bitcoin...

we don't know who
the creator is
and so that often
conjures up the idea
that there's
some risk here that
we have not...

you don't think it was
Al Gore, do you?

(LAUGHTER)

If you think a little broadly,
this could, again, have
huge huge implications.

(CHIMES)

DANIEL:

first entered the mainstream

and 2014 got off
to a dramatic start.
Just as we were wrapping
things up on our film,
Charlie shrem was arrested
after returning from a bitcoin
conference in Amsterdam.
He could be facing
up to 30 years in prison
on charges related to his
activities at bitinstant.
In j.F.K.,
you walk right off the plane,
and you go straight
to customs.
About three agents
in front of me
and then four agents
behind me said,
"Mr. shrem,
please come with us."
They took me
to an interrogating room,
told me that
I'm being arrested
on federal crimes
of money laundering,
running an unlicensed
money transmission business
and failing to file
suspicious-activity reports.

DANIEL:

that Charlie had sold bitcoins
to a reseller that operated
on the silk road.
What sucks
is the house arrest.
I have to pretty much be here all the time,
every day. I can't even go outside
unless I'm going to my lawyer's office,
which is once or twice a week.
I pretty much lost
my freedom,

lost everything that I've
built over the past year.

DANIEL:

Charlie's arrest wasn't the only bad news
that rocked the community
in the new year.

For months there had been rumors that mt.
Gox had become insolvent.

And in February
the site went offline.

- (MAN SPEAKS)

- (KARPELES SPEAKS)

Do you still have
everyone's bitcoins?

I'm not touching you.

I haven't touched you.

Do you still have
everyone's bitcoins?

(KARPELES SPEAKS)

(CAMERAS CLICKING)

DANIEL:

The rumors turned out to be true.

(SPEAKING JAPANESE)

DANIEL:

Gox had reportedly been hacked
and nearly half a billion dollars
worth of bitcoin were missing.

Mark was forced
to step down as c.E.O.

And mt. Gox went
into bankruptcy.

A national magazine
claims to have identified
the mysterious founder
of the worldwide
digital currency
called bitcoin.

Tonight he is
speaking out,
but he says he has
nothing whatsoever to do

with bitcoin.

MAN:

sir?

Okay.

(LAUGHS)

MAN #2:

can we ask you about bitcoin?

- No no no no no.

- Why were you involved in bitcoin?

Okay, I'm not involved
in bitcoin, okay?

- Who's involved in it?

- Wait a minute.

I want a free lunch first.

I'm gonna go with this guy.

I want a big one.

(LAUGHS) Yeah.

Oh, okay. Yeah,
this will be good.

- Oh jeez.

- We have some water.

Hey, where's yours?

DANIEL:

"Newsweek" claimed the creator of bitcoin
had not used a pseudonym.

They connected the dots
to a 64-year-old

Japanese man

living in Los Angeles...

Named Dorian prentice
satoshi nakamoto.

Nakamoto immediately denied
the allegations
and said he'd tell his story
to the first reporter
who agreed

to buy him lunch.

The main reason

I'm here is

to clear my name,

that I have nothing

- to do with bitcoin...
- Yup.
...nothing to do
with developing.
I was just an engineer
doing something else.

DANIEL:

As the media frenzy escalated,
"newsweek's" claims
started to unravel.
Holes in the story
led many to believe
it was nothing more
than sensational journalism.
There was
no conclusive evidence
tying Dorian to bitcoin.
Amidst the uncertainty,
on that same day...
A comment suddenly appeared
on satoshi's long-dormant
profile page which read...
Maybe we'll never know
who created bitcoin...
But the truth is
it doesn't really matter.
Bitcoin belongs
to everyone.
And the future
is ours to build.

(ELECTRONICA MUSIC PLAYING)

Put \$100,000 on market
orders right now.

- Why?
- Let's do it. Let's do it. Come on.
- Come on.
- Why? What's gonna happen?

Buy 100k worth
of bitcoins right now.

- Why?
- Do it.
- I don't wanna do it.
- Do it.

You owe me
\$100,000. Do it.
I'll send you
\$100,000 in bitcoins.
No, you buy it.
But 100k right now.
Dude, I can't.
I need the floating gox for volume.
Closing bell
for satoshi square!
All right,
does this look right?
1-n-p-w? Yup.
Yup, okay.
And I owe you 0.2?
- Uh... 0.18.
- 0.18.
This is for
bitcoin t-shirt.
I got 'em.
A pleasure, sir.
Great doing
business with you.
- Gonna wear your shirt proudly.
- Do it.
That's one thing that's
interesting about bitcoin.
It's like, how do
you declare losses?
You point to two transactions
that happened on the Internet
and you tell the I.R.S.
That you owned that?
"Oh, I used to own that and
I lost the private key."
And then if you
really do lose it,
how do you write it
off for taxes?
Oh, that's gonna
be interesting.
(THUNDER CRASHES)
We love bitcoin.
Okay, guys, we're gonna play a

special version of hopscotch
called "bitcoin
blockchain hopscotch."
Oh, you lost
all your bitcoins!
(SIGHS)

DANIEL:

Who is satoshi nakamoto?
(CHUCKLES)
I'd... rather
not tell you,
- but yeah.
- Oh, do you know?
Uh, maybe not, maybe.
Oh.
(CHUCKLES)
You know,
I have a bitcoin and a half myself now.
Which I think
probably in 10 years

VOORHEES:

When you think about it hard enough
on a global scale,
this is a net gain for humanity.