Chapter Three

BANKING THE UNBANKED*

Last chapter, we talked about how lack of wealth isn't really a financial services problem, and how providing fintech services to those with limited wealth can often be counterproductively exploitative (well, counterproductive from a public policy perspective – it's often quite profitable for the businesses doing the exploiting). But lack of wealth can also mean that people don't have the minimum balance needed for a bank account, and that truly *is* a financial services problem. Households without a bank account are referred to as "unbanked," and it is EXPENSIVE to be unbanked. In the United States, members of unbanked households (disproportionately people of color) have to pay through the nose for alternatives like money orders, prepaid cards, and check cashing to make or receive payments – or else risk being excluded from the modern economy.

That is a policy failure for sure – and one that Silicon Valley stands ready and willing to exploit if our political leaders don't address it (which they could relatively easily, as we'll discuss). In Chapter 1, ChatGPT told us that "Fintech can provide financial services to underserved populations, including those in

remote areas or without access to traditional banking" through mobile banking and digital wallets. It also told us that the costs of banking services could be reduced through automation, particularly through the use of chatbots. But there is no solid data available to back up any of these ChatGPT claims: the Congressional Research Service concluded in 2023 that it was unclear to what extent underserved consumers had used and benefitted from fintech products. Frankly, it would be surprising if many underserved customers had benefitted. None of the fintech alternatives we will look at in this chapter fundamentally change the economic calculus that it's often unprofitable to provide low-income customers with basic banking services – at least, not without skirting the laws in place to protect those customers and engaging in a little customer exploitation on the side.

We've already seen that the viability of many fintech business models depends on skirting financial regulations – we'll see yet more evidence of that in this chapter. But so far, we've focused on the smaller fintech players. In this chapter, we'll also look at Silicon Valley's tech giants, for whom the margins on financial services may be beside the point. The real point of their expansion into finance may be to hoover up juicy, juicy financial data from customers, and to further cement their monopoly and political power by providing critical financial infrastructure. *This* is the fintech dystopia that Silicon Valley is offering us, and China's experience with the Alipay and WeChat Pay super-apps gives us some insight into what we have to look forward to if Silicon Valley succeeds.

Disrupting banking

Silicon Valley's ambitions to disrupt banking go back at least as far as the dot.com era, when startups like the online gift card company Flooz and the digital currency Beenz proliferated. But disrupting banking is not as easy as disrupting some other industries, because banking is subject to so much regulation (to be clear, this is generally a good thing – when the financial industry is left to its own devices, it tends to blow things up and the rest of us have to bail it out). First and foremost, a company can't legally accept customer deposits in the United States unless it first gets a license to operate as a bank. It's not easy to get a banking license, and that has prevented many tech startups from taking deposits.

Of course, Silicon Valley sometimes likes to get creative with these kinds of rules, and that's how we got PayPal back in the 1990s. As journalist Max Chafkin recounts, in its early days "at least in the eyes of some employees, [PayPal] was blatantly flaunting the rules of the banking industry." Originally used for making payments on the eBay auction site, PayPal provides users with a digital wallet they can use to make payments to other PayPal wallets; users don't have to store funds in these wallets to make payments (wallets can be linked to a bank account or credit card), but many users do indeed store money there.

PayPal never did seek a banking license, arguing that it wasn't actually accepting any deposits (although the states of New York, California, Idaho, and Louisiana all expressed concerns early on that PayPal was doing just that). According to Chafkin, PayPal's gambit was to grow so fast that it would be hefty enough to repel government crackdowns if and when they

came. PayPal's then-CEO Peter Thiel reportedly lobbied heavily in Washington to prevent federal banking regulators from ever classifying PayPal as an unregistered bank (he also lobbied Congressmen to pressure Visa and MasterCard not to block PayPal's transactions), and I guess the gambit paid off. The FDIC ultimately agreed that the way PayPal held customer funds did not count as accepting deposits.

PayPal has never tried to expand beyond financial businesses (as far as I'm aware), but as long as regulators were convinced it wasn't accepting deposits, it could have expanded if it wanted to. U.S. banks that accept deposits, however, are not allowed to run other kinds of non-financial businesses like, say, a social media or e-commerce platform. A bank can't even be part of a conglomerate that also includes companies who do such things. But because pure payments businesses don't face these kinds of restrictions, many of the largest tech platforms have waded into payments (think Google Pay, Amazon Pay, Meta Pay – basically just take a platform and put the word "pay" after it).

Operating a payments service gives a platform access to unfiltered data about what people are buying: you may have heard the saying "data is the new oil," and payments data is some of the oiliest out there. It's highly prized because when people present themselves on social media, they are trying to show themselves in the best light possible; when they buy things, that tells you what they really value when no one's watching. Armed with this payments data, tech platforms can better target people with more bespoke advertising. They may also use it to feed "personalized pricing algorithms" where individuals are quoted different prices depending on their algorithmically-determined willingness to pay (you just sent flowers to a funeral home in Cincinnati and now

you're trying to book a plane ticket there? You're probably going to the funeral – let's just up that ticket price. After all, you'll pay anything to avoid having to explain to Great Aunt Myra why you couldn't make it…). If we're getting really dark, tech platforms may use the data at their disposal to profile users and decide if they wanted to block a particular payment, or kick them off the platform entirely.

This is Black Mirror-level stuff – although the stakes are mitigated somewhat because US platforms aren't yet "super apps." Getting kicked of Amazon, for example, could make it harder for you to shop online, but at least you could still use a bank-issued credit card to buy things direct from retailer websites (obviously, it's a much bigger deal for sellers to get kicked off Amazon, but I'm focused on the consumer side here). Being "deplatformed" would be much more consequential in China, where AliPay (which started as part of the e-commerce platform TaoBao and is part of the massive Alibaba conglomerate) and WeChat Pay (an offshoot of the WeChat messaging platform developed by Tencent) have become ubiquitous super-apps that people use for everything from buying groceries to hailing cabs to booking doctor's appointments. While not bank accounts themselves, many people leave their money in wallets on the super-apps for convenience sake, which has cost banks deposits and customer transaction data.

While hailed as a major fintech success story, the growth of China's super-apps is (yet again) less a story of technological innovation than it might first appear. Martin Chorzempa, who has been studying China's financial system for over a decade, put it this way: "for all the hype about mobile payments, most Alipay and [WeChat] Pay transactions today actually have digital

versions of old-fashioned debit cards hiding behind the QR codes." As Chorzempa goes on to explain, their explosive growth was in large part due to the legal environment: "the central bank governor explicitly stated that he would allow unregulated tech firms to enter spaces that were previously off limits to anyone without a financial license, giving those companies freedom to grow before any rules would be imposed."

China's honeymoon period of regulatory accommodation lasted for about seven years, but burgeoning social backlash against the super-apps' approach to privacy and governmental concerns about their monopoly power and potential to blow up China's financial infrastructure led to a crackdown in 2021. Financial regulations and antitrust rules that had lain dormant started to be enforced, new privacy rules were implemented, and government officials published statements like "[when] a large Internet company conducts a large number of financial businesses but claims to be a technology company, it will not only evade supervision, but will also be more prone to disorderly expansion, causing hidden risks not conducive to fair competition" (as translated by Chorzempa in his eye-opening book *The Cashless Revolution*). While Chinese policy is now trying to rebalance the playing field in favor of the banks, the genie can't be put completely back in the bottle – the super-apps are simply too integrated into the daily lives of most Chinese people. Given the different political environment and the power of Silicon Valley's tech titans in the United States, such a rebalancing would presumably be even harder (if not impossible) should the largest platforms succeed in disrupting banking here.

Banking the unbanked*

The techno-optimists out there will tell you that fintech innovation is obviously good and necessary to help bank the unbanked, and that I'm crazy for suggesting we might want to put the brakes on Silicon Valley's takeover of our financial system (a number of crypto industry execs have also publicly accused me of allowing my white privilege to cloud my judgment in this matter). But I think that even the techno-optimists would agree that there will be no putting the genie back in the bottle in the United States if Silicon Valley succeeds. So let's at least reckon with a preliminary question in advance: is there any evidence that Silicon Valley-based alternatives will *actually* serve the unbanked in a non-exploitive way?

To start with the obvious, fintech won't solve the problems of those who lack reliable internet access or aren't comfortable using technology, including some rural and elderly populations. For those who do have all the right technology and know how to use it, some fintech payment services simply won't serve people unless they already have bank accounts: the User Agreement for the mobile payment provider Venmo, for example, clearly states that "You must…have a U.S. bank account to use the Venmo services." There are, however, some fintech companies known as "fintech banks" or "neobanks" – which, confusingly, aren't actually licensed banks – that come closer to approximating bank services. But they also come with added risks that the customers of real banks don't have to deal with.

Many of these neobanks target underserved communities: Oportun and Comun, for example, target Hispanic customers; Totem targets Native Americans; and Cash App is particularly

popular with Black Americans. Let's use Cash App as our example here. The first thing I saw when I visited their website was "BANK* THE WAY YOUR WANT," with that asterisk directing me to teeny tiny print that explains Cash App isn't actually a bank. Instead, neobanks run their businesses by partnering with traditional banks (for Cash App, those partners are currently Lincoln Savings Bank and Sutton Bank). Because neobanks still run on traditional bank rails, they haven't really reinvented the banking business model, and there are only so many cost savings a neobank can squeeze out of being "online only." So how do neobanks stay in business?

Venture capital funding can help subsidize a neobank's costs in the short-term, but at some point, the neobank will have to charge users to cover the costs it incurs (as part of its arrangement with a partner bank, or directly). Those costs – costs associated with things like maintaining technology, providing customer service, and regulatory compliance – don't go away just because there's no brick-and-mortar bank branch. Well…some of the customer service costs might go away, as tech platforms are notoriously bad about providing customers with someone to call when something goes wrong. And some regulatory compliance costs will go away, as neobanks aren't subject to banking regulation. But do we really want to increase financial inclusion by exploiting loopholes in the laws that protect people, and leaving those people with no one to call when things go wrong? Remember, this isn't just a social media app. Someone's life savings may be at stake.

A particularly damning problem with neobanks is that they aren't eligible for deposit insurance (in the United States, FDIC deposit insurance protects at least $250,000 of a customer's

deposits held in a regulated bank). Instead, neobanks rely on their relationships with insured partner banks to protect their customers' funds. Depending on how these relationships are structured and where precisely funds are being held at any given moment (on the platform, or at the bank?), deposits in neobanks may not be protected by deposit insurance at all.

> Public Service Announcement: This is true of PayPal and Venmo as well, so it's risky keeping funds in their wallets. When you receive a PayPal or Venmo payment, move it from the wallet to your insured bank account. You're welcome.

If a neobank were to file for bankruptcy, customer funds held by the platform at that moment would be swept up with all of its other assets and affected customers would have to wait (probably for quite some time) to see how much of their balance they could get back. Understandably, though, plenty of people don't read the fine print and just assume that their funds are protected. In some instances, that assumption is actively encouraged by the neobanks themselves – the FDIC (which is the regulatory agency that administers deposit insurance) brought at least fifteen enforcement actions between 2022-23 alleging that fintech and crypto firms misled customers about their insured status (back in 2018, the brokerage app RobinHood also got itself into hot water for equating its "Checking & Saving" program with insured bank deposits).

Misunderstandings about the availability of deposit insurance proved to be a real issue when the fintech company Synapse filed for bankruptcy in April 2024. Synapse wasn't a neobank itself: instead, it was a "banking as a service" business

that operated as a type of middleman between regulated banks and neobanks with names like Mercury and Yotta and Juno. Founded in 2014 and funded by venture capital firms like Andreessen Horowitz who promoted it as "the Amazon Web Services of banking," Synapse partnered with licensed banks like Evolve Bank & Trust to make it easier for fintech startups to set up as a neobank. But not every neobank was thrilled with the (banking-as-a-)service that Synapse was providing: Synapse lost several customers over the years, and the biggest hit came when the neobank Mercury decided to cut out the middleman and partner directly with Evolve. With its prospects looking grim, Synapse sought to reorganize its business in bankruptcy. After Synapse filed, it became clear that that there were recordkeeping irregularities at Synapse that made it difficult to figure out which funds held in Evolve bank accounts belonged to which neobank customers.

In other words, Synapse's technology had trouble performing the one thing it really needed to do, which was to keep track of customers' money. You could be forgiven for thinking you've heard this story before: as with so many Silicon Valley fallen angels, Synapse had a mercurial young CEO/founder in Sankaet Pathak (he's been compared to infamous Silicon Valley founders like WeWork's Adam Neumann and Uber's Travis Kalanick); early critics of Synapse's business model alleged that Synapse didn't invest in maintaining its internal systems or follow best practices for database management; the business ended up being worth a lot less than venture capitalists had valued it at; yadda yadda yadda.

But things got really bad on May 11, 2024, when the tool Synapse provided to Evolve to manage customer funds shut

down: then affected neobank customers couldn't transact *at all.* Relations between Synapse and Evolve got very testy at this point, as they traded recriminations about who was responsible for record keeping and account discrepancies. The upshot was that tens of thousands of neobank account customers found themselves frozen out of accounts holding millions of dollars: that's tens of thousands of customers who couldn't access money that they needed – for rent, for gas, for mortgage payments – at least for a little while. For some, access was lost for weeks or months. As much as $96 million was reported as just plain missing, wiping out some people's life savings.

The thing is, many neobank customers have enough money to bank with a traditional, insured bank. If that's you, hopefully the Synapse episode will serve as a cautionary tale and you'll know that the safer option is to stick with insured banks (even if they're boring and it means missing out on neobanks' slick apps and gamified services). As one journalist put it, "most of the online services that fintechs provide are available at ordinary financial institutions, without the risk that faulty middleware or a pissing match between service providers can lock up your money." If you're confused about whether you're currently keeping your money with an insured bank or not, there's a tool on the FDIC's website you can use to check.

Obviously, though, none of this is a solution for customers who struggle to get access to traditional bank accounts. And you can bet your sweet bippy that the crypto industry is going to try and use their plight to its advantage.

Not-so-stablecoins

We've already noted that in the United States, it is illegal for businesses to accept deposits without a banking license. While fintech companies can try to probe the grey areas here – as PayPal did – that can be a dangerous game to play, particularly if you don't have the money and political clout of Peter Thiel. And so the neobanks we just discussed all decided to partner with traditional banks. But several crypto businesses decided to go full PayPal and roll the dice, offering "stablecoins" – a type of crypto designed to keep a $1 per coin value and serve as the functional equivalent of a bank deposit – without first seeking banking licenses.

Take the crypto company Circle, for example, which does not have a banking license but advertises its USDC stablecoin with a slickly-produced video titled "Serving the Unbanked with USDC." Did you know that USDC could bank nearly two billion unbanked people, activating the full economic potential of humanity for the first time? Did you know that using only an app on their smartphones, people can be brought out of the financial shadows, leveling the playing field for the first time in history? Of course you didn't. I mean, that's what the video says, but it's horseshit. I have to say, of all the BS fintech promises to bank the unbanked, I think stablecoins get me the most riled up. In part, that's because a senior stablecoin executive (I won't name names) admitted to me that stablecoins couldn't deliver on this front, and then blithely kept making public promises about financial inclusion. Our conversation went something like this:

> Me: "Stablecoins won't bank the unbanked, because people get stablecoins by purchasing them on a crypto

exchange, and no crypto exchange will open an account for a customer unless they have a bank account."
Him: "That is true. Stablecoins won't bank the unbanked."
Me: "Then why do you keep saying they will?'
Him: "I don't."
Me: "Yes you do."

Grrrrrr. So if stablecoins aren't really about providing financial services to those who don't otherwise have access, then what are they really about? Well, as with most of crypto, their predominant use cases are gambling and illicit activity – but that's a much harder sell to the public (imagine *that* slickly produced video…"did you know that without stablecoins, deeznutz69 wouldn't have anywhere to park his funds between selling Pikamoon and buying CumRocket, and poor little Kim Jong Un wouldn't be able to fund North Korea's nuclear program?"). For an in-depth look at the illicit activity associated with the Tether stablecoin, I highly recommend Zeke Faux' book *Number Go Up*, where his investigations lead him to human trafficking victims in Cambodia who are forced to carry out pig butchering scams. It's terrifying stuff, and I'm mostly going to leave it to Zeke. Instead, I'm going to focus here on using stablecoins to gamble – you know, the "good crypto."

The crypto assets we talked about in the last chapter are notoriously volatile, which makes them fun to bet on (if you're into that kind of thing), but not a great place to park your money in between bets. They're also not great collateral for the crypto loans that traders take out to enable them to make even more crypto bets. Enter stablecoins, which Former SEC Chair Gary Gensler referred to as the "poker chips at the casino." Because

these stablecoins are pegged to the value of a fiat currency (usually the US Dollar), they present a more stable poker chip alternative. Now, "more stable" doesn't necessarily mean that a stablecoin is always worth one dollar: one 2023 study titled "Will the real stablecoin please stand up?" found that "not one…has been able to maintain parity with its peg at all times." Another study found that in 2023, the largest stablecoins lost their peg to the dollar more than 600 times. In fact, 2022's crypto winter was kicked off by the depegging and subsequent implosion of the TerraUSD stablecoin.

> This is kind of a tangent, but it's a crazy story that is relevant to our discussion of "decentralization" in the next chapter, so I'm going to say a little more about it here. The TerraUSD stablecoin was created by Terraform Labs in 2018, a business founded by a Stanford computer science grad from South Korea named Do Kwon. Kwon seemed to delight in being rude, crude, and undesirable, and developed quite a following of crypto bro devotees who referred to themselves as "Lunatics" – at least one over-the-top Luna tattoo was inked among this crowd. These Lunatics loved Kwon's bluster and brashness, and also the 20% return that could be achieved by lending their TerraUSD into another Terraform Labs product called the "Anchor Protocol" (dear reader, it was a Ponzi scheme).
>
> TerraUSD was billed as a "decentralized algorithmic stablecoin." "Decentralized" to denote that there was (ostensibly) no one in charge of maintaining its peg to the US dollar or otherwise governing the stablecoin, and "algorithmic" meaning that Terra's peg

would be maintained by smart contracts programmed to incentivize traders to use Terra's companion crypto asset Luna to buy more TerraUSD if the latter's price fell below one dollar. I know your eyes just glazed over as you read that: TerraUSD was indeed very convoluted, but the basic idea was that arbitrageurs would have incentives to buy more TerraUSD if its price fell, and that that arbitrage demand would drive TerraUSD's price back up to one dollar. If that seems like a pretty unreliable recipe for stability to you, your instincts are correct. As British economic commentator Frances Coppola succinctly tweeted in 2021, "[s]elf-correction mechanisms that rely on financial incentives do not work when panicking humans are stampeding for the exit." Terra/Luna's preprogrammed arbitrage incentives weren't going to mean anything if no one wanted *either* Terra or Luna.

That is precisely what happened in May of 2022. As TerraUSD lost its $1 peg, it received an (ultimately insufficient) rescue package of crypto loans from a non-profit association known as the Luna Foundation Guard, which was established by – you guessed it – Do Kwon. So much for decentralization. Really, it had always been clear from his social media presence that Do Kwon was calling the shots at Terra. He was also just a real peach of a guy, responding to the above criticism from Frances Coppola by saying "I don't debate the poor on Twitter, and sorry I don't have any change on me for her at the moment." So the TerraUSD stablecoin failed permanently, inflicting significant losses on everyday speculators as well as the rest of the highly interconnected crypto industry. A US jury found Do Kwon liable for civil

fraud, and he was extradited to the United States from Montenegro at the end of 2024.

Anyway, none of the stablecoins we're about to talk about are perfectly stable, but they also aren't all as flagrantly unstable as Terra. Most stablecoins have some kind of reserve of assets behind them to help support their peg to the US dollar (a few also peg to other currencies). Another thing I find particularly galling about these stablecoins, though, is that they can only maintain their semblance of stability by free-riding on the existing monetary and financial systems they claim they will replace. Bonds issued by the United States government make up a significant portion of the reserves for both the USDC and Tether stablecoins, for example (although there are perennial questions about what is *actually* in Tether's reserves – again, see Zeke Faux' *Number Go Up* if you want to learn more). Even the DAI stablecoin, which was designed to be entirely independent of any human control and free from any connection to traditional finance, started its life with only crypto assets in its reserve but gave up and is now backed by significant amounts of U.S. government bonds.

Many asset-backed stablecoins also have large amounts of cash in their reserves, which they hold in – you guessed it – traditional banks. In fact, these stablecoins that say they provide a better alternative to banking have sometimes flailed when they couldn't get access to the banking system themselves. Tether has struggled at time to find banks willing to take on the risks of holding its reserves; the USDC stablecoin has had fewer problems in part because a bank regulator known as the Office of the Comptroller of the Currency (usually called the OCC) issued a letter during the first Trump administration authorizing U.S.

banks to hold stablecoin reserves. As a result, USDC had $3.3 billion (that's billion with a "b" – orders of magnitude more than the $250,000 insured by law) in cash deposited in Silicon Valley Bank when that bank failed on March 10, 2023. USDC's value fell below 90 cents the next day, and it only got close to regaining its $1 price once US government authorities announced that they would guarantee all of the deposits in Silicon Valley Bank (including USDC's billions with a b). Some have called this "the first crypto bailout" – and the way we're heading, it won't be the last.

In short, the predominant legal use of stablecoins is not for payments, but for speculative trading. They aren't as stable as they claim to be, and the stability they do have arises from free-riding on the US banking system and monetary policy – and as we'll come back to, if stablecoins are able to keep gaining market share, these parasites might eventually endanger their hosts. Stablecoins are typically unavailable to those without bank accounts…and so we come to the question that I keep screaming about stablecoins (in my head, and occasionally on social media), WHY ARE WE EVEN DOING THIS???

Stablecoins around the world

One answer I often get to this question (when I scream it publicly) is that there are places around the world where even the already-banked might need stablecoins. It's hard to pinpoint exactly when, but sometime in 2023, stablecoin defenders in the United States started to talk less about the United States and more about promoting financial inclusion in developing countries. To give just a few examples, in a co-authored August 2023 Wall Street Journal op-ed, Brian Brooks extolled the virtues of

stablecoins as a "synthetic savings account" for people in countries plagued by high inflation (for a little background, his op-ed was written in support of a Republican-backed stablecoin bill. Brooks led the OCC at the end of the first Trump administration, which was when the OCC authorized US banks to hold stablecoin reserves. Before that, Brooks worked for the Coinbase crypto exchange). As another example, in January 2024, U.S.-Commerce-Secretary-to-be Howard Lutnick, who was then CEO of Cantor Fitzgerald (which acts as custodian for most of Tether's holdings of treasuries), gave an interview to Bloomberg where he praised Tether for its utility in high-inflation countries like Argentina, Venezuela, and Turkey.

This kind of rhetoric immediately raised my suspicions. I mean, it's certainly not our best quality, but since when did the US adopt policy to benefit other countries? Have you met us? Have you perchance seen what happened to USAID, the agency in charge of distributing foreign aid and providing development assistance abroad? (in case you missed the news, it was dismantled by the Elon Musk-led "Department of Government Efficiency" in 2025). But in 2023, we were being told to put aside our concerns about stablecoins' risks for Americans because Argentinians and Nigerians needed stablecoins to solve the problems associated with their unstable home currencies. Does that track?

To be fair, in his op-ed, Brooks copped to a naked American self-interest in trying to use stablecoins to promote the soft power of the US dollar around the world. That kind of honesty is missing from stablecoin messaging, though, when it speaks loftily of the benefits of self-determination for countries using USD-denominated stablecoins. Relying on another

country's currency doesn't sound much like self-determination, and stablecoins at best replace the problem of high inflation with a different set of problems. I'm not saying this to be glib about the very real suffering that high inflation inflicts, I only want to point out the hypocrisy of the crypto industry's financial inclusion rhetoric. Many people around the world face a Hobson's choice between devastatingly high levels of inflation associated with their national currencies on the one hand, and the volatility, hacks, scams, fees, and outages associated with stablecoins on the other. It's not for me to pick which poison is worse for the individuals concerned, but I will point out that the crypto industry has no moral high ground here.

A few years ago, I came across *Rest of World*, a great non-profit publication that chronicles the impacts of technology in countries other than the usual suspects of the United States, Europe, and China. One of their articles tells the story of a 47 year-old Argentine woman named Valeria, who made the equivalent of about $300 a month selling food that she prepared from her home in Buenos Aires. She put all her savings, as well as funds a friend loaned her to buy a refrigerator for her business, into the TerraUSD stablecoin. Once TerraUSD failed, "Valeria watched her savings dwindle to zero, unable to remove the money from the protocols, which had blocked withdrawals. "I invested in a stablecoin that today is worth $0.08," she told *Rest of World*. "I feel sickened and helpless."" In the wake of TerraUSD's collapse, different riffs on this story were reported from high-inflation countries around the world, ranging from Argentina to Iran to Nigeria. Many people also suffered losses in founder Do Kwon's native South Korea – so many that police in Seoul stepped up patrols at a bridge that was a popular spot for suicides.

Hacks draining people's stablecoins from their crypto wallets are also common, and as we saw in the last chapter, those affected by hacks and scams rarely have any recourse. The typical crypto community response once these losses happen is to shrug and tell people that they should have done more research, or that they shouldn't have invested more than they could afford to lose. Given all this, the promises of empowerment and self-determination made by stablecoin issuers ring pretty hollow.

It's also worth noting that using stablecoins can be quite expensive. I testified at a stablecoin hearing before the Senate Banking Committee in December 2021, and one of the other witnesses, Alexis Goldstein, included in her testimony a worked example of just how expensive using stablecoins can be. When stablecoin issuers tout their low fees, they're typically talking about the fees paid to send a stablecoin from one person's digital wallet to another digital wallet (even these fees are not reliably low – they fluctuate due to blockchain congestion). But the industry tends to conveniently gloss over the fees that need to be paid to a crypto exchange to convert the currency the payer earns into stablecoins, and then the fees that need to be paid to an exchange to convert stablecoins back into the currency that the recipient needs to buy a loaf of bread, or a cup of coffee. When you factor all of these fees in, Goldstein found that a sample remittance transaction that cost $4.88 with Western Union would cost somewhere between $5.98-9.58 using the Coinbase crypto exchange, and $66.40 using the Binance exchange, if the transaction were done with stablecoins…so let's talk a little more about the exchanges making it rain with all those fees.

Stablecoins and their crypto exchange BFFs

An underappreciated fact is that each of the biggest stablecoins is affiliated with a crypto exchange. Just stop for a second and think how wild that is. Imagine if the New York Stock Exchange (NYSE) were affiliated with a money market mutual fund (these regulated funds have a lot in common with stablecoins; investors buy shares in a fund filled with safe-ish assets, and those shares are consistently valued at $1 unless the safe-ish assets lose value and the fund "breaks the buck," which is basically the same thing as a stablecoin depegging). What kind of incentives might that create for the NYSE to steer its users towards using its affiliated money market mutual fund over those offered by competitors? And if there were a run on that money market mutual fund (and these runs do happen occasionally), might the NYSE have incentives to limit or shut down sales of fund shares, trapping customers with a tanking investment?

Now, in the real world, this kind of arrangement is unthinkable for the NYSE. But these relationships are very much the norm for crypto exchanges and their affiliated stablecoins. Tether, for example, has a relationship with the Bitfinex crypto exchange – a relationship that it staunchly denied until the release of the Paradise Papers confirmed in 2017 that Tether and Bitfinex were controlled by the same people. Honestly, given persistent concerns about Tether's reserves, "conflicts of interest" might be too quaint a term to describe the problems associated with the relationship between Bitfinex and Tether. As Zeke Faux explores in his book, questions have been raised about whether unbacked Tethers might be printed out of thin air to create money used to manipulate the price of Bitcoin and other crypto assets being traded on Bitfinex and elsewhere; Bitfinex has also borrowed

money from Tether's reserves to fill a hole in its balance sheet – with the same person, Giancarlo Devasini, signing the loan documents on behalf of both Bitfinex and Tether.

As for the USDC stablecoin, the crypto exchange Coinbase has always had some kind of relationship with USDC and its issuer Circle. In a public filing from 2025, Circle disclosed that it paid $907.9 million to Coinbase for "distribution costs" in 2024 alone – and explained that it expects those costs to increase in the future (as an aside, Circle also disclosed in that filing that if it had to comply with the rules that cover money market mutual funds, "applicable restrictions likely would make it impractical for us to continue our business as currently contemplated" – remember how I said that "innovating" around the law *is the point* when it comes to crypto?).

Since 2023, Coinbase has had a direct equity stake in Circle – and all the conflicts of interest that come with that ownership stake. Let's focus on just one. Occasionally, operational problems will temporarily shut down the Coinbase exchange (and, as with many tech platforms, it's very hard to get customer assistance when that happens). When Coinbase suffers such an outage, online chatter sometimes takes a conspiratorial turn, alleging that Coinbase shut down trading to prevent sales in some cryptoasset or another. These allegations might be baseless, but it remains true that Coinbase is in a position to shut down conversions of USDC into dollars. And Coinbase did indeed shut down USDC conversions when Silicon Valley Bank failed in March of 2023, tweeting on March 10:

> *We are temporarily pausing USDC:USD conversions over the weekend while banks are closed. During periods*

> *of heightened activity, conversions rely on USD transfers from the banks that clear during normal banking hours. When banks open on Monday, we plan to re-commence conversions. Your assets remain safe & available for on-chain sends*.

I'm reminded of the scene at the end of the movie *Animal House*, where Kevin Bacon is shouting "Remain calm! All is well!" into the madness of a hijacked homecoming parade. Poor Kevin couldn't stop the madness – he was trampled into the pavement. Coinbase, on the other hand, is in a position to ensure that the USDC holders are the ones who get stuck.

What if stablecoins ate the world?

To reiterate, right now, stablecoins are predominantly used for trading and not for real-world payments (at least, not for legal payments). One analyst reported that "roughly 88% of stablecoin transaction value in 2024 was [in crypto trading]...only about 6% of stablecoin transaction value was generated through payments in 2024." And that's not surprising: whenever I talk to payments systems experts about stablecoins, they chortle with laughter at the thought of a blockchain trying to process millions of transactions per day. Less funny is the fact that blockchains – and all of the transactions recorded on them – are publicly visible. Unless a stablecoin user takes advantage of software tools like tumblers and mixers (which are mostly used for money laundering and sanctions evasion), anyone who knows that user's unique wallet address can trace their entire transaction history. Stalkers and abusive partners of the world, rejoice! As crypto critic Molly White has explained,

> *there is very little privacy available once your crypto wallet address is known, because every transaction is publicly visible, and attempts to obscure them often easily unobscured with chain analysis tools. Imagine if, when you Venmo-ed your Tinder date for your half of the meal, they could now see every other transaction you'd ever made—and not just on Venmo, but the ones you made with your credit card, bank transfer, or other apps, and with no option to set the visibility of the transfer to "private". The split checks with all of your previous Tinder dates? That monthly transfer to your therapist? …The location of that corner store right by your apartment where you so frequently go to grab a pint of ice cream at 10pm? Not only would this all be visible to that one-off Tinder date, but also to your ex-partners, your estranged family members, your prospective employers. An abusive partner could trivially see you siphoning funds to an account they can't control as you prepare to leave them.*

None of blockchain's limitations have stopped Silicon Valley from trying to make stablecoins happen, though, and with a little help from their friends in Congress, they might just succeed. While stablecoin issuers will continue to weaponize blockchain hype until they get what they want from Congress, it's entirely possible that stablecoin issuers will eventually abandon blockchains entirely, or just use them nominally. Unrestrained by blockchain's limitations, stablecoins could eat the world.

We'll talk a lot about the political machinations of the crypto industry later in the book, but for now, it suffices to know that many members of Congress stand ready and willing to help legislate stablecoins into a viable payments mechanism. The laws

being contemplated by Congress would authorize special licenses for stablecoin issuers that come with less regulation attached than a banking license. This light-touch approach is justified by the Panglossian assumption that there will never be a run on a stablecoin (I can't resist the word Panglossian – it's based on the insufferably optimistic Dr. Pangloss from Voltaire's *Candide* who says things like "it is demonstrable…that things cannot be otherwise than as they are; for all being created for an end, all is necessarily for the best end" – and what is this book about if not insufferable optimism and unrealistic expectations that everything will turn out for the best in the end?).

Anyway, if you're not familiar with runs, I usually broach the topic for my students by showing them a clip from the classic Christmas movie *It's a Wonderful Life* (it's about a bank run, not a stablecoin run, but you'll get the gist). In it, Jimmy Stewart's character George Bailey says to customers trying to withdraw their funds from his family's Bailey Brothers Building and Loan:

> *No, but you... you... you're thinking of this place all wrong. As if I had the money back in a safe. The money's not here. Your money's in Joe's house...right next to yours. And in the Kennedy house, and Mrs. Macklin's house, and a hundred others. Why, you're lending them the money to build, and then, they're going to pay it back to you as best they can. Now what are you going to do? Foreclose on them?*

The basic idea is that even if a bank has more assets (like mortgage loans and other investments) than it has liabilities (obligations to pay back its depositors and other creditors), the bank won't be able to pay back all of its depositors and other

creditors at the same time because it has invested their money in longer-term assets like mortgages. After all, if you took out a mortgage from a bank, that bank couldn't make you pay back the whole thing tomorrow just because it's experiencing a cash crunch.

This mismatch between assets and liabilities usually isn't much of an issue for banks. Typically, not all of their depositors want to withdraw all of their money at the same time. But if there *is* a panic, an unusually high number of depositors will want their money back at the same time (that's why all of George Bailey's customers had flocked to Bailey Brothers Building and Loan and were there to hear his speech). In these circumstances, a bank can quickly run out of assets that can be easily sold for cash, and if the bank starts selling its other assets at a deep discount, it can end up with more liabilities than assets and tip into insolvency.

Now, stablecoin issuers aren't making mortgage loans; instead, they're investing customer money in reserves of cash and assets like government bonds that are typically pretty easy to sell without taking a hit. That's the basis for the Panglossian assumption that there will be no runs on asset-backed stablecoins. But money market mutual funds (which, if you recall, are structurally very similar to stablecoins and invest only in assets that are typically pretty easy to sell) experienced runs and required bailouts after some funds lost their $1 per share value in 2008, and then again in 2020. We know that stablecoins lose their dollar peg all the time, and it's quite possible that a future depegging could cause users to panic enough to force the stablecoin issuer to start selling off its reserves at fire sale prices, driving it into insolvency and pushing down the market prices of

its reserve assets at the same time (which is not great news for others who have invested in those reserve assets).

It's true that, as long as you don't count Terra (which had no reserve of assets behind it), we haven't yet seen a major run on a stablecoin. My hunch is that when someone thinks of stablecoins as poker chips, or as a way of circumventing money laundering laws or economic sanctions, they're not so worried about them being worth *exactly* one dollar. Zeke Faux recounts the reaction of a crypto trader on one of the many occasions Tether lost its dollar peg: "the market just doesn't care," he said. Particularly for those who rely on stablecoins to make their crimes profitable, it's not worth killing the golden goose just because it lost a few cents on the dollar. If, however, people come to think of stablecoins as money (which is possible if Congress blesses them as such), then the loss of a few cents on the dollar *will* freak people out, and runs are likely on the menu.

> Another Public Service Announcement: unlike bank and money market mutual fund customers, many stablecoin users lack a contractual right to force the issuer to redeem their stablecoins for cash. The big fish, who typically have better contractual terms, will be able to redeem directly from the issuer for $1. But your only option during a panic may be to dump your stablecoins on an exchange at whatever price the market will give you. If you're still thinking of buying stablecoins, you should definitely check the terms and conditions on redemption rights before doing so. Better yet, don't buy stablecoins.

We've figured out over the centuries that runs will usually take down a bank, unless there is some kind of government

intervention. That intervention could take the form of deposit insurance that makes people less likely to panic in the first place, or central bank loans or even bailouts after the panic starts. The proposed stablecoin legislation doesn't contemplate any of these kinds of measures, but let me be very clear: if stablecoins start being used for payments in a meaningful way, the government will end up on the hook for them one way or another – most probably through a bailout – when there's a run. It's very hard to see how this is a good deal for the American people.

As a society, we benefit from the banking business model in ways that help justify the governmental support that banks receive: unlike stablecoins, banks don't just sit on reserves – they lend deposits out into the broader economy. If stablecoins significantly eat into banks' market share, what will that do to the availability of credit that businesses rely upon to grow? Bank lending is also the conduit through which central banks increase or decrease the money supply, and so substantially increased use of stablecoins could also limit the ability of the Federal Reserve to do its job when we're faced with economic shocks.

Too big to save

Members of Congress were warned about all these risks and more, and it looks like they're about to pass the crypto industry's preferred stablecoin legislation anyway. They were also warned that this legislation would allow the largest tech platforms to issue stablecoins, effectively providing an end run around laws that previously prevented those platforms from fully taking over the banking business. So buckle up, because Silicon Valley's biggest tech platforms could soon be much better positioned to pull an Alipay. Actually, with the help of this

legislation, Silicon Valley will be poised to go even further than Alipay, because Alipay wallets are still typically linked to bank accounts. Once the largest tech platforms can issue their own stablecoins, bank accounts could become increasingly superfluous. Elon Musk in particular has expressed ambitions about X becoming an "everything" platform that competes with "YouTube, LinkedIn, FaceTime, dating apps, and the entire banking industry."

I've spoken to representatives of smaller banks who are acutely aware of the existential threat posed here: they know that it's going to be very hard to compete with stablecoins linked to the largest tech platforms. Larger banks don't seem as concerned, though (at least they're not saying so publicly). Bank of America has mulled launching its own uninsured stablecoin alongside its insured deposits; other big banks are also looking to get in on the action. But those big banks are used to Wall Street, where there's room for more than one big dog; in Silicon Valley, winner tends to take all.

In addition to their political influence, Silicon Valley's largest tech platforms already have millions if not billions of users and all kinds of personalized data that will help target advertising and services to those users. These platforms are therefore very well situated to push the use of their stablecoins for convenient payments on their platform. These platforms also have plenty of money they can use to cross-subsidize the financial services they offer, making it hard for others to compete – once entrenched, the revenues from their financial services will then be available to subsidize the platforms' other products and services. Because it will be so easy for Silicon Valley's largest platforms to capitalize on this platform power to encourage their users to adopt platform-

affiliated stablecoins, I don't think that Wall Street banks (who have comparatively little data about their customers, can't offer non-financial services, and don't always pay much interest on customers' deposits) should be quite so complacent about their market share.

The exponential growth of AliPay and WeChat should at least give the Bank of Americas of this world pause. While it's not an apples-to-apples comparison given that payment and banking options in China were pretty limited before the super-apps came along, AliPay and WeChat became the dominant providers of financial services in China within the space of about seven years. They were able to do so even though their customers still needed a bank account to use these super-apps. U.S. Congress is about to go even further, setting up Silicon Valley to cut banks out of the process entirely.

We will all be impacted by such a change. With the money and financial transaction data likely to accompany their new stablecoin businesses, tech platforms' already overwhelming power and influence over our lives will be supercharged – and if we become disenchanted with the financial services we're receiving, well, social media platforms like Meta and X are well-placed to suppress at least some of our public complaints. Many members of Congress have panicked about potential transaction surveillance and censorship possibilities if the Federal Reserve were to issue its own digital currency (we'll get to central bank digital currencies shortly), but they are strangely silent about the fact that stablecoins afford tech platforms very real opportunities to do the exact same things. I guess they see the tech platforms as more trustworthy than the Fed, even though those platforms have no mandate to serve the public good and are beholden to

their increasingly weird founders. Or maybe Silicon Valley just coughs up a lot of donations.

Disrupting Wall Street will be great for Silicon Valley but not so great for the rest of us, given Silicon Valley's tendency to replace the status quo with "solutions" that slowly turn to ash in our mouths. Through issuing stablecoins, platforms like X and Meta and Amazon could quickly become "too big to fail" bank equivalents. By "too big to fail," I mean that the US government would feel compelled to bail the platforms out when the chips are down because: (a) the economy relies so heavily on the financial services they provide; and/or (b) other financial markets would be roiled if these platforms started panic selling assets from their stablecoin reserves. If you didn't like bailing out AIG in 2008, you're *really* not going to like having to bail out Elon Musk's X if it comes to that.

Even before anything goes wrong, assumptions that a platform is "too big to fail" and thus protected by a taxpayer-funded safety net might encourage that platform to take on greater risks. Users may also gravitate to that platform's stablecoins because they have the same expectations of a government safety net insulating them from risk. Perceived "too big to fail" status might also encourage the relevant platforms to break the law more than usual: as Attorney-General Holder said of the largest banks back in 2013, "I am concerned that the size of some of these institutions becomes so large that it does become difficult to prosecute them." That sure sounds like an invitation to move really fast and break a whole lot of things.

And so the incentives that come with perceived "too big to fail" status are highly problematic. Another potential worry is

that the platform growth fueled by assumptions of "too big to fail" status could help a tech platform get so big that the United States government couldn't bail it out, even if it wanted to. Is the United States government in the position to bail out all of Amazon, for example, if it launched a stablecoin business that couldn't be disentangled from its e-commerce platform? Amazon also operates in many different countries – will the United States face the prospect of bailing out foreign operations as well, if those can't be disentangled? A few smaller countries like Iceland and Switzerland have already had to grapple with this "too big to save" problem with their banks. China recognized similar risks emerging in connection with the AliPay and WeChat Pay super-apps, and reined them in as a result.

Back in 2019, a proposal for a Facebook-affiliated stablecoin from Mark "Move Fast and Break Things" Zuckerberg was enough to occasion a global firestorm of controversy. Apparently inspired by the Chinese super-app WeChat, Zuckerberg hired former PayPal exec David Marcus in 2014 to develop the "Libra" stablecoin, but the timing of the launch in 2019 proved to be a big miscalculation. The public was still reeling from the Cambridge Analytica scandal that broke in 2018, revealing that that consulting firm had used data harvested from millions of users' Facebook pages to microtarget political advertising for clients like Trump's 2016 election campaign. Facebook CEO Mark Zuckerberg acknowledged "a breach of trust between Facebook and the people who share their data with us and expect us to protect it," and so in 2019, while it did not seem like a particularly good idea for *any* large tech platform to control a portion of the money supply, it definitely did not seem like a good idea for Facebook to control it.

Facing political pressure, Libra was rejiggered and rebranded Diem before ultimately being abandoned in 2022. The political winds have now shifted, though, and Mark Zuckerberg is reportedly gearing up to experiment with stablecoins again. Over the last few years, many regulators and Members of Congress have somehow forgotten their well-founded concerns about giant tech platforms launching their own money, and stablecoin legislation is poised to allow the tech giants to do exactly that.

Enter the CBDC

Back in 2019, though, central banks around the world collectively (and correctly, in my opinion) freaked out at the prospect of Facebook controlling a large portion of the global money supply, putting it beyond the reach of their monetary policy. One way to interpret Libra's threat was "it is dangerous from both a political and a monetary policy perspective to allow a global tech platform with billions of users to create its own money, regardless of the technology used to do so." The appropriate solution to this kind of threat is to use the law to prevent tech platforms from accepting deposits or their equivalents. A second possible interpretation was "Libra posed a threat because it used superior payments technology that consumers wanted," in which case central banks would need to provide their own stablecoin-like alternative in order to outcompete the private stablecoin. No prizes for guessing which I think is the correct read and response.

At the time of Libra's launch, the first (and in my view correct) interpretation seemed to be driving public policy – as I already mentioned, there was significant political pushback, and

Libra was ultimately abandoned. In the years since, though, a lot of the policy conversation has been animated by the second, more techno-solutionist interpretation: that the technology underlying stablecoins is so appealing that central banks need their own version in the form of a "central bank digital currency" or "CBDC" to outcompete future Libras – as well as to outcompete CBDCs issued by other countries. But it was never stablecoin's underlying technology that made Libra such a threat; it was the vast user base of the Facebook platform. And if a CBDC issued by one country turns out to be a threat to another country's currency, it will likely be for political and economic reasons, not because of the CBDC's superior technological infrastructure.

For example, many in the United States expressed concerns that China would gain a competitive advantage through its CBDC, the eCNY, which was first piloted in 2019. But there has not been significant uptake of the eCNY even in China, and a technology upgrade alone is not going to turn the Renminbi into the world's reserve currency (although if the United States fritters away its geopolitical power, that might help the Renminbi along). As our China fintech expert Martin Chorzempa put it in 2021, "digital money per se is not new, so it is not a game changer or even an advantage. The eCNY will need to have other advantages to do better than the already digital RMB against the already digital USD, Euro, Pound, and Yen." Chorzempa underlines an important point. Most money has been digital for decades, so what does a CBDC (or a stablecoin, for that matter) really add?

Over the last few years, I've had the opportunity to speak off-the-record with quite a few central bankers about CBDCs. The first of these conversations happened in February 2023, at a G20 meeting of finance ministers and central bankers in

Bengaluru (Bangalore), India. I arrived in India around 1 a.m. local time, and before leaving the airport, I was piped down a red carpet by a group of local musicians as a film crew recorded me in all my I've-been-on-planes-for-twenty-hours glory (they gave me a QR code to access the video, but I was never brave enough to watch it). I finally arrived at the hotel around 2 a.m., and was up at 8 a.m. to speak on a panel about crypto policy. Once the morning was done, it was a relief to sit down at a buffet lunch, and without realizing it, I plonked myself down next to a governor of a central bank.

Small talk ensued. He had seen my panel, so we discussed crypto a little bit and then he asked me what I thought about CBDCs. This particular central bank governor sighed with relief once I said I thought CBDCs were largely a solution in search of a problem. This was the first of several such conversations I've had while attending events with central bankers around the world (although, to be clear, I've also met central bankers who are genuinely supportive of CBDCs). My take is this: lots of central bankers don't see any great need for a CBDC, but they think that other central bankers see something in them, so they keep on diligently investigating CBDC design issues, writing reports, running pilots, etc. In other words, interest in CBDCs has spread among central bankers at least in part because they fear they might be missing out on an important tech solution, even though they're not quite sure why they need it. That's the same kind of FOMO that drives so much private sector techno-solutionism.

Real solutions

It should hopefully be clear by now that fintech is not going to bank the unbanked on its own, at least, not without doing

it in an exploitative way. As I said in the last chapter, that's capitalism baby. The private sector is doing exactly what it's supposed to do, and that is to seek out profitable opportunities. And so, as law professor Adam Levitin puts it, "to the extent there is a failure here, then, it is a failure of government to intervene when the market fails to produce the desired policy outcome." To bank the unbanked without exposing them to exploitation, the government will need to get involved in some way, shape, or form. Fortunately, "banking the unbanked" is a more discrete and tractable problem than the economic well-being challenges we discussed in the last chapter.

If it wanted to, the government could step in and provide banking services directly to consumers. Some academic work has suggested that central banks could use CBDCs to this end – that certainly would be a transformative change, but no central bank seems interested in dealing directly with consumers or disrupting its national banking industry (it's also not clear that U.S. consumers would warm up to CBDCs, given concerns about government surveillance and censorship). A lower-tech version of this approach could involve post offices providing payments and other banking services to their customers, a solution proposed by Senator Elizabeth Warren amongst others.

If the government doesn't want to provide accounts for low-income customers itself, it can consider legal mandates that require banks to do so. Law professor Patricia McCoy, whose *Sharing Risk* book we talked about last chapter, has a proposal for automatically enrolling workers in no-cost, insured bank accounts. Many countries already require banks to provide accounts for low-income customers, and while they may be a pain for banks and may entail some losses through uncovered

operational costs, they don't entail significant risks for banks. To prevent the operational costs from being foisted onto account holders through back-end fees, regulation will be needed, and to sweeten the deal, the government may agree to subsidize these fees as a matter of public interest. A mandate, backed up by a subsidy, could easily bank many of the people who are currently unbanked because they struggle to maintain a minimum account balance (and yes, I know that none of this is going to happen right now, but I'm sticking with my framing from last chapter. If everything is getting blown up, let's blow through our mindsets about what is politically feasible and just suggest some good policies).

The need to bank the unbanked would also be a little less pressing if we preserved people's ability to use cash. There are certainly transactions where cash won't do the trick (including online purchases and bill payments), but there remain plenty of situations where keeping cash alive will ensure that the unbanked – as well as those who are banked but are less comfortable with using technology – don't get shut out of necessary activities like buying food and gas and paying rent.

As Brett Scott explores in his book *Cloudmoney: Cash, Cards, Crypto and the War for our Wallets,* there are also many other reasons to preserve cash payments. He argues that we should disregard the rhetoric about cash "increasingly being presented as an outdated barrier to progress," and remember that it "protects privacy, and it is resilient in the face of both natural disasters and banking failures." Even the head of the Swedish central bank – Sweden has embraced cashlessness more than almost any other country on earth – recently sounded the alarm that cash infrastructure needs to be maintained in case there's a

war. The U.S. government could require businesses to continue accepting cash, ensuring that our cash infrastructure is preserved for when we need it.

Coming up next…

I wish there was as straightforward a solution for addressing the political and economic power of Silicon Valley's largest platforms – and the political and economic power of the venture capitalists who helped those platforms become so powerful. So often, the Silicon Valley elite are talking nonsense, and yet we're forced to engage with their nonsense as if it were credible and serious because they have too much money and power for us to dismiss it out of hand. As a result, I've ended up spending years of my life debunking the utility of something as blatantly crappy as the blockchain technology on which stablecoins and other crypto are built. The next chapter is a summary of this debunking effort: it's the equivalent of writing a thesis on why Santa isn't real, and in honor of Santa, I will use a few children's stories to underline blockchain's stupidity. Debunking blockchain is also, in my humble opinion, a great way of blowing up any notion that Silicon Valley innovation promotes efficiency, competition, or security in any kind of neutral way – so I hope you'll come along for the ride…