

How Did Celebrities Fall for the FTX Scam? w/ Coffeezilla

The Joe Rogan experience And in the FTX case how much of it was getting celebrities to endorse the platform It's huge This is what I wanted to say like the more I study this stuff and and you start to have repeat occurrences like I just cover stuff all the time and and you see echoes of the same thing I just had somebody just a couple of days ago I was interviewing for this for this news scheme We're looking at it and he said you know I never understood how Bernie Madoff got people because it seems so preposterous and then I fell for something very similar And what I noticed with all of these things the threat is you believe you know it's kind of too good to be true but the social proof is overwhelming and it overwhelms your kind of like alarm bells So the social proof is a combination of things So first of all it's like it's this guy who drives a Toyota So you go like well why does he need to scam me if he's driving a Toyota Right Then it's like uh which Sam Binman Fried did then it's like OK Tom Brady backs him Well Tom Brady's got to have some guys who are looking into this and then it's like well Blackrock backed him Well Blackrock definitely has some guys who looked into it It's Sequoia capital They said he was uh might be one of the first like trillionaires or whatever Like like he's such a great entrepreneur They think he's such a genius I actually it might have been uh one of the A one Z guys or uh uh I'm blanking on the name right now No no no I'm sorry Uh I'm blanking on It's this famous I've got to remember it right after I get out of here It's one of the famous um like uh investment funds they invested in a bunch of NFT projects mark and reason I think is the guy who runs it Hm Jamie's looking it up I thought I knew it off the top of my head and I don't want to say the wrong one A 16 Z A 16 A one Z A 16 Z I can't it was one of those sequoia A 6616 Z One of them wrote this glowing review of Sam basically saying he's going to be one of the first trillionaires Um So all these guys basically a lot of these people backed Sam with the highest endorsements And so if you're just an average person you're thinking well how much more due diligence can I do Than all these other guys all these other guys buy into him and like and then they themselves are kind of also looking at each other being like well that guy did it like what it's the hottest deal around right Uh Kevin o'leary is in So so you kind of think you're swimming safely with like other savvy investors and that's what ultimately

gets you to buy in Bernie Madoff is very similar I mean he was uh you know really well regarded in Wall Street So when people invested with him they didn't they knew the like returns were insane but it wasn't like he was some random fly by night guy He was well respected in the Wall Street space People thought he might take over the sec after like the current person had stepped down they thought he was going to take it over Like he's one of the leaders at the NASDAQ I mean he was one of the go to guys And so you thought well I invest with Bernie like I can't lose It's like almost you know betting on the house like the house always wins right So when FTX was taking off it just seemed like everyone who was a someone was backing him So then it was ok And then I think a lot of these people deferred to their other friends They're all saying it's ok Let me put money in and it's just a huge case study that just because other people fall for something doesn't mean you're safe like you have to do I hate to say do your own research because that's such an overused like scammy phrase It's actually such like a phrase like that You know it's almost used Let me let me say this if it's too good to be true If they're offering market returns that you wanna believe in you go man I wanna believe this is real Don't invest like that's a bad idea People were calling bullshit though just like they were calling there were there was a few people that were wary that were calling bullshit on Bernie Madoff and there was there was a few people that were standing out and saying this none of this makes sense And who are those people So there were a few people Um There was a Matt Levine interview with uh Sam Bateman for he didn't call him a fraud outright but he's like hey it seems like you're in the Ponzi business and business is good And what did he say to that He's like well you know like think of it like a box and you know you tell a bunch of investors you know hey if you put money in this box we can get some money out we can give you this yield He starts explaining like this thing that sounds exactly like a Ponzi scheme And so ultimately Matt Levine's like uh yeah this doesn't really make a lot of sense But again it stopped short of this is a fraud because you know no one knew there's a bunch of backing So I made a video at the time being like this crypto ceo just de describes a Ponzi scheme and that video has aged so well because it's like people are like oh it was all true Um But like but people were outright calling it a fraud like Mark Kotti he's a famous short seller Um He was calling that a fraud early I have a buddy of mine Um He goes by Dirty Bubble Media on Twitter He's like one of the a on a Twitter accounts He was calling it a fraud