



## What I've Learned In The Defi Rabbithole Transcript

Ryan Moran [00:00:04]

Hi everyone. Welcome back to the podcast. I'm Ryan Daniel Moran and today I want to add some context before we jump into the meat of today's podcast episode. I have been going down the DeFi rabbit hole, and DeFi is the use of cryptocurrencies to provide liquidity to other people, and as a result you get passive income in the process. If that sounded heady or overly descriptive, don't worry. I got you covered in today's episode because I want to know, how is this expansion in the crypto market going to affect business?

Ryan Moran [00:00:39]

That is my primary question. Yes, I'm curious if Bitcoin is going to go to \$500,000 or a million. Yes, I'm curious if Ethereum is going to go to \$15,000. Yes, I want to generate passive income by doing this stuff. But ultimately, I want to see how this is going to affect our lives as entrepreneurs. So, I've been going down this rabbit hole of studying decentralized finance and getting caught up on crypto and blockchain so that I can understand how this is going to impact business.

Ryan Moran [00:01:08]

I did a keynote at the Capitalism Conference that went deep into how NFTs are going to impact our lives as entrepreneurs and even as ecommerce sellers, and I'm sure we'll release that keynote at some point. But in today's episode, I recorded a summary of everything that I've learned by going down the DeFi rabbit hole, exactly how it is going to affect our lives and also what are some of the ways that we can use it in the short term to generate some passive income?

Ryan Moran [00:01:36]

I don't really like that term, passive income, because passive income is never really passive but I have had really good returns doing some very basic DeFi staking, farming, that kind of stuff. And if you're new to that then it can be a little bit overwhelming. So, I attempt to simplify in this episode everything that I have learned by going down the DeFi rabbit hole, and I hope by the end of it you feel a little bit closer to understanding this big, bad world that is expanding so quickly. Enjoy.

Ryan Moran [00:02:08]

So, a few months ago I started going down the DeFi rabbit hole. I realized I was really behind when it came to understanding crypto, understanding blockchain technology, and really



understanding DeFi. But I started to see the opportunities when a friend of mine, Cathryn, was launching kind of a pilot program to help her entrepreneur friends get caught up to speed and also generate possibly some passive income as a result of understanding this world.

Ryan Moran [00:02:34]

And so, I kind of chose her as my coach and started going down this rabbit hole and man, does this rabbit hole go deep. I started off feeling like the dumb kid in the room, just knowing absolutely nothing. It reminded me of when I was building websites in my college dorm room, hand coding HTML and hoping that it works. That's how I felt when I was starting in DeFi as well.

Ryan Moran [00:03:00]

I remember one point in particular when somebody told me oh, all you need to do is take your Ethereum and take it across the polygon bridge so that you can stake it into these 3rd party platforms. What did you even just say? I have no ... Please translate what that means for me. But after going through it a couple of times, my hesitation started to lessen and I started to understand how this world is working.

Ryan Moran [00:03:19]

Now, my first couple of experiments with this went absolutely horribly wrong. The first time that I invested into any of these projects, it was something called Titan and Titan was backed by Mark Cuban and it was growing and they had stable coins that didn't go down in value, until they did. The project boomed overnight and busted just as fast. And I lost tens of thousands of dollars in the process.

Ryan Moran [00:03:47]

However, in that process, I learned a lot and I learned what liquidity pools are, and I learned what staking was, and I learned why some projects are willing to pay 1%, 2%, 3% per day in passive income in order to attract investors to the platform. And that's what stood out to me. Why are there these projects that are sometimes paying out 1.5-3% per day in order to attract you to use the platform? In fact, just last week, I saw a project that was paying out 15% per day in coin rewards just to attract people to put money onto the platform.

Ryan Moran [00:04:28]

Now, I learned in the process that it's not always that simple. It's definitely not all that simple because for those of you who are familiar with DeFi, there's this thing called impermanent loss. And impermanent loss is just when the value of the currency is going down faster than you're



able to farm rewards. So, who cares if you're getting 15% per day in passive income if the underlying asset is going down 50% per day.

Ryan Moran [00:04:54]

That's where I found myself in the first project. So, I became very familiar with the risks and the possible rewards and everything that can go wrong in the process. My 2nd experiment started off better, but ended just as horribly. There's this platform I really liked. It was called Polycat and it was essentially a project built on the polygon network which allowed you to select a bunch of different projects that you could put money into and it would pay you back rewards in their native token, which was called Fish. That probably should have been a red flag right there.

Ryan Moran [00:05:32]

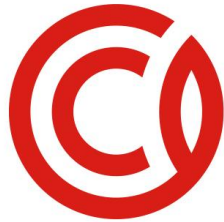
So, I was getting half a percent to 1.5% per day in Fish rewards, which was awesome, until the Fish rewards went down the toilet. So, my \$2 dollar Fish went to \$0.06, and now my 1.5% per day was worth essentially nothing. So, those 2 projects combined, I was down maybe \$50 grand which stunk. But the way that I justified it was, well, it only takes one project to really work in order for this to be worth it, and also, my point in this is to understand, what is the business model behind all of this? Where's the transaction happening? Why are people actually doing this from a user standpoint? Because I want to know how all of this is going to play out and impact the business world.

Ryan Moran [00:06:27]

In fact, I heard today that there's now \$120 billion dollars tied up in DeFi which is starting to nip at the heels of the entire banking sector. That doesn't disrupt the whole banking sector because that's worth trillions of dollars, but \$120 billion dollars is enough to scare the banks. And it was just a fraction of that a year ago, so if we play this out, the DeFi space is exploding and it's going to continue to explode. And it's probably going to change the way that we lend and transact and save our money.

Ryan Moran [00:06:59]

And so, I want to understand this now. How is this going to impact entrepreneurs? How is this going to impact consumers? How is this going to be beneficial or harmful for those of us who are investors in passive income assets? So, if it costs me \$50,000 dollars to answer that question, then long term it's going to be worth it. Also in this process it helped me understand what made a project work, what made a project destined to fail, what role does the community have in all of this? And that's what led me to my next project, which really opened my eyes.



Ryan Moran [00:07:32]

The 3rd project that I experimented with was this thing called Cogecoin, which I immediately wrote off because it sounds like Dogecoin, and Dogecoin is just a glorified scam. It's a scam with a lot of money in it but it's a total scam. The founders know that it's a scam. Don't buy Dogecoin. Also, don't buy anything that I recommend ever because I am not an investment advisor, and you should consider all of this entertainment purposes only. I lose all my money so that you don't have to.

Ryan Moran [00:08:00]

But this 3rd project called Cogecoin caught my attention because they actually had a use for their project. Basically what they were was they were a project that autocompounds different yield farms. So, instead of getting 18% when you stake your Ethereum on whatever project or network, you can stake it onto the Coge platform which will autocompound those rewards, I think it's every 5 minutes. So, an 18% return goes to 27% or 28% return.

Ryan Moran [00:08:33]

Now, that's impressive enough to catch my attention because there's a use case, there's a reason why the platform exists. It's not just there in order to create phony opportunities of all these fake coins. There's actually a reason why the platform is there independent of the coin itself. So, this caught my attention and also there were farms on this platform which were still paying out 1.5-2% per day.

Ryan Moran [00:09:00]

So, I treated this as a passive income opportunity. I took another \$50,000 dollars or so and I put it into the platform and I was starting to get rewards in the native token, in Coge, at about 1.5% per day. And I thought, alright, I'm just going to ride this out and see how this goes. Then some weird stuff started to happen. The price of the token itself went from \$0.14 cents to \$0.10 cents to \$0.09 cents and I went, here we go again. But then things started to change.

Ryan Moran [00:09:31]

It went from \$0.09 cents back to \$0.14 cents, to \$0.17 cents, to \$0.25 cents, to \$.50 cents, and all of a sudden, this is becoming a very profitable opportunity. There was a pump that lasted about 9 seconds that took Cogecoin all the way to \$1.50 which looked really, really good on my laptop, before it came all the way back down to \$0.50 cents and it has now settled between \$0.65 and \$0.80 cents, somewhere in there on a consistent basis.

Ryan Moran [00:10:00]



Now, compared to my original investment, that is absolutely fantastic. The price is worth 5x what it originally was, and I'm still to this day getting about \$2000 dollars in passive income from the projects that I have on Cogecoin. Cogecoin, of all things. Now, I'll be breaking down more about Coge and my excitement and where I see potential downfalls, so stay tuned for that. But the success of this project gave me enough clarity to want to go even deeper down the rabbit hole.

Ryan Moran [00:10:34]

So, the next thing that I did was I got plugged into the telegram channels that were going around the Cogecoin project, and I was introduced to one of the developers and full time employees there. Now, the founder of this is some anonymous person who is probably 18 years old and raking it in right now, but the full time employee who has been overseeing some marketing and overseeing development was very responsive and willing to answer some of my questions. And boy, oh boy, did I have some questions.

Ryan Moran [00:11:04]

My questions were things like, well, what is the purpose of this coin outside of the platform, and can't a competitor come in and just replicate what you have? And a bunch of other questions as well. Once again, my ultimate question was, where's the business case here? How is this going to impact business? How do you guys operate as a business? I was absolutely floored by what I discovered. One of the things that the developer told me was, yeah, if we can just get a few deep pocketed whales on here to buy and hold for a long time, it would completely change the project. It would provide liquidity and it would provide marketing spend and all this other stuff.

Ryan Moran [00:11:45]

And I thought to myself, yeah, that's called a capital raise. And he also said, well, if we could just get more users on the platform then we'd have more capital stored which would also give us more liquidity, more exposure. And I said, that's called marketing. And I started to realize that these projects are just a bunch of developers, they're not business people. I mean, they might have one on staff, or they might have somebody who's in charge of business development, but these aren't entrepreneurs in the traditional sense, anyway.

Ryan Moran [00:12:18]

They're entrepreneurs because they're starting projects in emerging spaces like DeFi and crypto, but they're new entrepreneurs and they're really developers, they're product people. This really started to excite me because as a business person, I think, okay, this reminds me of the iOS app boom when Apple introduced their new platform and developers could make



new projects and new apps on the platform, it was a race to get users. Whoever got the most users in that kids' game or that drawing app or the calculator app or whatever, they would win.

Ryan Moran [00:12:59]

The reason why Instagram was acquired for a billion dollars wasn't necessarily because they had the best photo editing app. They were just first to get the users, and then Facebook came in and stole it. That's the name of the game in the early stages of these platforms is who can get the users, who can acquire as many people as possible. And then they kind of figure out how the product and the business is going to work long term.

Ryan Moran [00:13:26]

Now, this boggles my business brain because I think you should have a vision and you should raise capital and you should have a thesis and you should have a plan to acquire customers. But I noticed that on the Coge project and other similar projects, it was more like the developers were just scrambling to keep up with everything that's changing in the marketplace, and they're just scrambling to get users, and then somebody mentions them on Twitter and they get a few new users, and this is exciting and they're trying to keep up. And it's an absolute chaotic, beautiful mess.

Ryan Moran [00:13:56]

So, I started to see that there's real opportunity from a business perspective here. This space is just absolutely craving more business people to say alright, come on in, let's hash out your vision. And oh, you want to acquire new customers? Great, we know this influencer, and we know this blog, and this email list would be great, and you should sponsor this podcast because that plan is sorely missing in this space.

Ryan Moran [00:14:23]

So, I think there's a really clear opportunity, a lot of whitespace for more business people, for more entrepreneurs to come into this space and serve as advisors and marketing people, and to bring relationships to the table to help these projects get the users that they need in order to win in the marketplace, and I think that there's going to be projects that win in very obscure spaces. But once they get the first million users, they are a multibillion dollar possible acquisition.

Ryan Moran [00:14:57]

Or it just dramatically increases the value of the underlying coin and all of the holders, the investors, will be richly rewarded for that. So, I, for the first time, am seeing man, there could be an 8- or 9-figure opportunity even for me. Just get plugged into the right project and say



alright, cool, let's help you with a capital raise, let's bring in some whales as they call them, let's come up with a marketing plan, and let's cast a vision. And I, as an investor, in today's valuation am going to be richly compensated as a result of bringing resources to the table.\

Ryan Moran [00:15:33]

That fact alone is actually what most fascinates me about the crypto space right now is that everyone is incentivized to help the project succeed, they're incentivised to bring in new relationships, new marketing efforts, new investors into the project. That's what made Bitcoin win. Bitcoin had such raving fans, it had such a passionate audience that they served as the marketing, that they went out and recruited all of their other friends, all of their other disenfranchised libertarians and investors and they said here's what Bitcoin fixes, here's the reason why Bitcoin is the right alternative.

Ryan Moran [00:16:12]

And the more people that bought into that story, the more the value went up. And the more the value went up, it justified the story and got more investors. We're going to see a lot of that, but it's going to come from crypto projects that have real applications, real utility. Again, this project that I put \$50 grand in that is now worth about \$250 grand and still spitting off \$2K a day, this Coge project is a good example of that. The more exposure they get, the more relationships they make, the more investment they bring in, the more it goes up in value and the more legitimacy that they have in the marketplace.

Ryan Moran [00:16:50]

And with as decentralized as things are, you can win in very tiny markets. For example, if you have a small raving fan base on a platform as obscure as the polygon network, you can still make billions of dollars. So, it's just wild to me to see how many applications are going to come out of this, and developers and entrepreneurs are going to be able to focus on a very small, specific group of people and create an application that serves them directly and possibly make billions of dollars.

Ryan Moran [00:17:28]

So, once again, I had to lose a bunch of money, at least for me, \$50 grand is nothing to sneeze at for anybody, I suppose, in order for me to come to the understanding of how this world works. And then it took a win, a win in which I got lucky in. This wasn't skill or talent, it was luck. I got lucky on one project that made me interested enough to dive deeper into what's really happening in this space.

Ryan Moran [00:17:55]



And whether that project wins or other similar projects win, because there are competitors in that space, it opened my eyes to see how much of a need there is for good business people and entrepreneurs to understand this world because it's going to require us to be caught up to speed to help usher in this new era of finance, and those who are good at it are going to be richly compensated in the process.

Ryan Moran [00:18:21]

I think a lot of crypto projects are getting kind of a bad name because it's just a bunch of de-gens, a bunch of people who are scrambling at opportunities looking for easy income and easy money, and it certainly is dominated by that. But that's how every big market starts. Every big market starts with speculators coming into the space and betting on projects and a lot of people losing money in the process. But the projects that are good to their users and the projects that create a financial return are the ones that win long term.

Ryan Moran [00:18:53]

It's just interesting to me that where we are in the space right now is craving for more of a business plan to help legitimize these projects. That's what gets me excited as somebody who helps businesses launch and cast a vision and be profitable and create change. I see a lot of opportunity for people like me. But there's also opportunity for artists in the NFT space and developers to scramble and put together a project, and speculators and people who just want passive income.

Ryan Moran [00:19:24]

I mean, I am blown away that there are opportunities to just take stable coins and stake them and get 15-20% ROI. Chase Bank should be terrified at that right now. The fact that you can get those type of returns by just staking stable coins? Trillion dollar banks should be really worried. So, anyway, I think it is worth going down this rabbit hole and being willing to lose a few bucks to see how this whole world works because I came out of this with an understanding of where this is going at least right now as a business.

Ryan Moran [00:20:03]

And there are some more established projects that have figured it out a little bit and have more users and have more capital and I think we're going to see a lot of projects like this coming in the next decade. Actually a lot sooner than that. I don't want to be my parents who were resistant to social media and who thought the internet was a fad. I want to be a leader in this space. As an entrepreneur, we have to be curious about what's coming down the pike and not so romantic about how we got to this point.





Ryan Moran [00:20:35]

And by the way, I should add the end disclaimer to all of this that if you don't have an underlying business, if you don't make your money as an entrepreneur, you probably shouldn't be spending most of your time going down rabbit holes of speculative investments. In fact, never take my advice on anything investment related but definitely don't speculate on coins if you're not already the owner of a business that's spitting off excess cash.

Ryan Moran [00:21:05]

If you need help with that, that's kind of what we do. We help entrepreneurs cast a vision, launch profitably, and build the foundation of a business that they can scale and maybe sell and be profitable the entire time. But that's the first step as an entrepreneur. Build the foundation of a real business, then you can speculate and you can invest for passive income. But the best investment always at the beginning is your own business that you can control.

Ryan Moran [00:21:30]

If you see any interesting projects that you're keeping tabs on, or actually just selfishly if you know any people who run some interesting projects that need a business eye on this, I'm actually really interested in taking more of those phone calls. So, hope you subscribe to the channel because I'm going down this rabbit hole along with all of you guys and I would love to be a part of your journey way down the de-gen rabbit hole.

Ryan Moran [00:21:58]

If you found value in this podcast and you're ready to go deeper, here are 3 resources where we can help you. 1, you can grab my book 12 Months to \$1 Million on Audible or Amazon. It has over 1000 reviews and it's the playbook to building a 7-figure business. 2nd, you can join our community of entrepreneurs who are following a plan to build a 1% net worth by building businesses and investing the profits.

Ryan Moran [00:22:18]

You can get plugged in at [Capitalism.com/1](https://Capitalism.com/1). And 3rd, if you're looking to go deeper and build a 7-figure business that you can sell, you can work closely with us inside of the Capitalism Incubator and you can get on the waiting list and find out what we do over at [Capitalism.com/inc](https://Capitalism.com/inc). That's [Capitalism.com/inc](https://Capitalism.com/inc).