



DeFi Deep Dive - Understanding How Tokens Actually Work Transcript

Ryan Moran [00:00:04]

Hey Capitalists, I'm Ryan Daniel Moran. Welcome back to the podcast where today we're going to dive deeper down the crypto DeFi rabbit hole. The reason why we are doing this today is because it's my opinion that a lot of business is going to be run in this manner. They're going to be run on chain. They're going to be run as community projects with their own coin in the future. And probably not very far off. When I first realized that it really freaked me out, it really scared me. I decided that I had 2 options. I could either be my parents who said that social media thing is just a fad and ignore it. Or I could swallow the humble pill and realize that I knew nothing about this world. And I needed to understand it.

Ryan Moran [00:00:55]

The reason I've been talking about this so frequently on the podcast and again today is because I want to bring you up to speed for those of you who are feeling left behind by this world. So today I interview Adam Bertram. Adam is a 20 year veteran of IT. He's a crypto geek and also a content creator, but he's also one of the developers on this tiny little project called KogeCoin/KogeFarm. You'll understand the difference as we go through, but this is not an interview or a podcast specifically about Koge or Doge or any other obscure token that you should buy. In fact, I want to be explicit that this is not an endorsement of this project or any crypto project at all. My only intent in this podcast is to understand how someone who is behind the scenes of one of these very obscure businesses is thinking about creating this business. The best way that I knew how to do this was to just interview somebody who was working on a project that I found interesting.

Ryan Moran [00:02:03]

I became interested in this tiny little crypto project called KogeCoin a few months ago when a friend of mine turned me onto it. I initially wrote it off because it sounded like DogeCoin. I think DogeCoin is a scam, so I thought the same about this thing, but as I dove under the hood I started to see that this project had a lot of really interesting utility to it. The basics of it are it creates passive income that then gets reinvested into other interesting assets. This platform that is KogeCoin makes it really easy for you to turn crypto projects into recurring income streams, and then reinvest that into other interesting cryptos. That is a very, very oversimplification of this, but that's what got me interested in this project. As I watched it develop, I realized that it was being run by a business in a very early way.



Ryan Moran [00:03:01]

It's in an early space and a few projects are going to win in this space. I thought it would be interesting to understand one of them so that it could give me more context into how this world is evolving, because if I like it or not, this is where the world is heading. Part of our job as entrepreneurs is to stay aware of what's changing and keep seeking out new opportunities. Look, I started podcasting almost a decade ago. That's crazy to me, but my intention when I started podcasting was to document my journey towards financial freedom, not as the guy with all the answers or to be a guru. I was just a kid from Ohio at the time, and now I've got the financial freedom, but I'm seeing this whole world change and I want to stay ahead of everything that's happening. I want you to be ahead of it as well.

Ryan Moran [00:03:54]

This DeFi world, this crypto world is a very deep rabbit hole and it takes some time to wrap your head around it. I'm still wrapping my head around it. I asked some friends of mine this week, how do you all stay ahead of this world? I feel like every time I turn around, it's completely different than it was a week ago. It can be really overwhelming, but it's important for us to at least see where things are going so that we can make adjustments as entrepreneurs. Now, this conversation gets very technical. I'm doing of a different format in today's episode. Throughout this conversation, I'm going to pause and interject and add some context and give some explanation for some of the terms that we gloss over so that you can understand what the heck we're talking about.

Ryan Moran [00:04:39]

Again, this is not an endorsement for this specific project, although I do currently have quite a bit of money invested in this platform, but I am very fascinated by the overall thesis of this project and the mindset behind the developers and the members of this community. It can serve as a guide for what might be coming down the pike as this entire landscape evolves. All right, let's dive down this rabbit hole. Get ready. Let's go. Hi Adam, welcome to Capitalism.com. It's great to have you on today.

Adam Bertram [00:05:14]

Hello. Thanks for having me.

Ryan Moran [00:05:16]

I just want to kick this off right away by saying nothing that you hear today is financial advice. I'm an idiot on the internet that you found somewhere and you shouldn't do anything that I tell you to do. In fact, I'm the student today. I am learning about this stuff. Just don't do anything



with it that you'll learn on this podcast today. This is for entertainment purposes only. Adam, I'm so excited to chat with you because this is a world I want to understand. You've got ... You're working on a project right now, KogeCoin, which I immediately wrote off because it sounds like DogeCoin and I hate DogeCoin. First, why don't I just ask you this, why the heck would you call it something that sounds so much like the worst crypto in the world?

Adam Bertram [00:06:01]

Well, I'm not ... I'm actually not the founder. I'm one on the team. I don't take the blame for the name. But yeah, it actually was named after DogeCoin. It was just kind of a thought of originally as a meme coin. But then we actually started actually building an app around it and producing actual value. Now it's just kind of grown from that.

Ryan Moran [00:06:28]

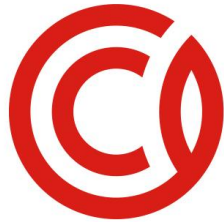
Okay. That's an interesting way to start this. It's like, oh, this started as a joke, started as a meme. Now we're attempting to develop utility, which as an investor or a speculator, it makes me pause. So, but before we kind of poke holes into that, I want to understand ... Most people will see cryptos or altcoins as speculative investments or speculative plays. It's very rare that we talk about the projects behind some of these unknown coins. Would you explain to me how you would describe this project from a utility standpoint? What does this project exist to do?

Adam Bertram [00:07:14]

Yeah, so there's 2 facets of, what I call, kind of the Koge ecosystem. You have the KogeCoin, which is the token that you can buy and sell and trade. You also have KogeFarm, which is kind of the brother project besides KogeCoin. It is a yield ... People call differently. People call it a yield aggravator, a yield optimizer. Essentially it is a service that allows people to invest their liquidity pool tokens that they get from different farms and liquidity pools out there. Invest in, put those in our vaults, which then auto compound every 5 minutes. That's kinda the utility of it, of the actual project, but then you also have the governance component of it to where if you have so many KogeCoins you provide, you get X amount of votes for whatever big thing we have coming up.

Adam Bertram [00:08:14]

Also we ... It was actually designed from the start to provide utility in the form of profit sharing. Eventually if ... We're hoping that if KogeFarm takes off that KogeCoin will essentially be your ticket to a percentage of all the profits that KogeFarm gets. So that's kind of the big ticket way.



Ryan Moran [00:08:34]

Okay. What I really heard from that is there's essentially 2 utilities or uses to this project. I'm going to try to avoid calling it a coin because coin is just ... It's how people participate in a project. And, there's 2 parts of this project, one being that you basically have all these opportunities for yield, like almost dividends from other projects that ... And Koge's unique utility is that it will auto compound. It will just reinvest, almost like reinvesting a dividend. It will reinvest those automatically back into the platform. The 2nd that it basically has profit sharing utility, so when this project spits off profits, it will be distributed among the token holders. Is that a fair summary so far?

Adam Bertram [00:09:24]

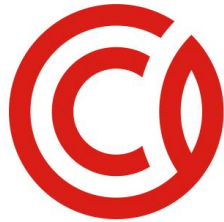
Yeah. Essentially 3. Governance, the vaults, auto compounding and, yes, and the profit sharing.

Ryan Moran [00:09:31]

Okay. This is a very important distinction that we need to break down here. When you think about some of the popular cryptocurrencies like Bitcoin or Ripple, those are coins, but, and I know this is confusing, KogeCoin is a token that is purchased through the Polygon network. The difference between those 2 is kind of like understanding the difference between a currency and a share of a company that you would buy on the stock market. It's kind of like if you buy Bitcoin, you're really betting on Bitcoin being worth more in comparison to US dollars, kind of like you would buy pesos or the Japanese yen or euros and hoping that they go up in value relative to the US dollar. When you buy a token, you're more buying a share of a very small privately held company. So, when I buy KogeCoin, I'm buying something that is a finite amount of shares in that specific project.

Ryan Moran [00:10:36]

My value of KogeCoin is not tied to how much inflation there is in the US economy or around the world, or what dumb thing a government does. It's actually tied to the success of this project. And because I own a certain amount of shares, tokens in this project, as this project becomes profitable, I share in the profits of this coin. With KogeCoin, their financial model is as they become profitable, their profits get distributed directly out to the holders of that coin. That's very different than owning Ripple or Bitcoin. You're really hoping that the adoption of that currency goes up relative to US dollars. That's why people think that it's an inflation hedge. Whereas something like a token like KogeCoin is more betting on the success of that



specific project and hoping that it will pay me dividends. It will pay me profits as that platform succeeds and gets more market share. Got it? All right. Stick with me.

Ryan Moran [00:11:45]

Okay. So that makes sense. Now let me poke some holes in this, because you did not say exactly how this as a project or a business would turn profits, and you didn't really describe how this as a yield aggregator would be different from any of the other projects that kind of do the same thing. So how would you respond to that?

Adam Bertram [00:12:05]

Yeah, so essentially it's different than other projects because we started this out being for the community and not necessarily generating enormous amounts of profits. What I mean by that is that we charged one of the lowest rates of fees for any yield optimizer on Polygon at the moment. We're talking about other chains, but essentially it's all in Polygon at the moment. We charge the lowest fees and because we charge the lowest fees and auto compound every 5 minutes, which is extremely fast for others in the space, we essentially can almost, I don't want to say guarantee, but, 99.9% of the time, we can always provide more yield than all the competitors that I'm aware of right now. That's kind of the immediate advantage of us.

Ryan Moran [00:12:58]

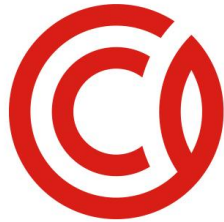
Adam, I just want to clean that up a little bit for anybody who's getting caught up to speed on how this world works. You are built almost exclusively right now on the Polygon network, which is an extension of Ethereum and the Polygon network is mainly used for decentralized finance transactions. Koge works as an application or a project to allow the participants to get the best yield possible among all the different Polygon projects. If you're not familiar with this world, that's kind of the chain of command. Polygon is an extension of Ethereum. DeFi is the main use of the polygon network. Koge is one of the projects and it, from what Adam is saying, strives to have the highest yield by auto compounding and having the lowest fees, but please continue, Adam.

Adam Bertram [00:13:51]

Yup. Yup. That is correct. You got another question, didn't you? I can't remember what your ...

Ryan Moran [00:13:56]

Well, I want to know why and how this project would turn a profit that would ultimately be shared with token holders.



Adam Bertram [00:14:06]

Yep, exactly. Okay. How it generates a profit now, there are a lot of ... Let me take a step back. It generates profit now from 1% of what we call performance fees, which is essentially every time we auto compound the ... Well, it's kind of hard to explain, but let me take one other step back. How we work, how the whole process works is whenever you have a farm, whenever you invest, whatever you want to do, invest in a farm or some kind of other liquidity pool that we provide, that liquidity pool gives an LP token. That LP token represents a share of your percentage of the trading fees that you get. I mean, that's the whole, yield and investing thing. The majority of the time, the platform that provides those yield farms or those liquidity pools, but the yield farm will kick off, will emit a reward token.

Adam Bertram [00:15:00]

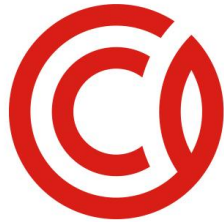
That reward token is typically the token of that particular platform. 9 times out of 10, that token is generally, I don't want to say worthless, but it doesn't hold its value because it's essentially constantly generating, minting and minting more and more. And it's an inflationary token, and we provide a service that automatically receives that reward token, puts it automatically back into our vault and then just converts that back to what you want as your original LP token. That's kind of the gist of it. Now, how we generate profits is that whenever we grab that reward token, that reward token has a little bit of value. Every 5 minutes, it's small, but it has a small amount of value depending on what the value is at the time. We will automatically convert that to a stable coin in the smart contract. We take 1% of that, kind of put it aside as our profits. We put the rest back into the farm. That's how we generate the profits.

Ryan Moran [00:16:06]

I see. For anyone who is thoroughly confused after that, I'll try and clean this up a little bit. What Koge is essentially doing is it's almost like they're getting fractional dividends from all of the transactions that are happening and then are going back to token holders once there is a profit. Now, Adam, it seems to me that in order for those tokens to be worth anything, that those ... The Koge token needs to have some additional utility. There needs to be some additional demand for it, for people to want to buy and sell it. What gives ... What, if anything, would give the Koge token its own unique value in the marketplace?

Adam Bertram [00:16:55]

Yeah, so the rewards, the vaults are separate of the Koge coin itself. They kind of intermix quite a bit, but they're separate. How the KogeCoin, you can provide ... Get KogeCoin value from the KogeCoin itself is through ... We have a specific vault, the KogeCoin vault, which what you put money, or if you put tokens in, you automatically will generate yield on that,



which generates more Koge tokens. That is one thing you can consistently get more and more, if you stake your Koge tokens in this particular farm. Now the utility for that right now comes in the form of governance. We're talking about other utilities because we get this question a lot, well, what is the difference between you and Doge? And we realized that the utility of the coin at this point, before we get to the middle of 2022, whenever we finally get all of the tokens, the unclaimed ... From the airdrop, the unclaimed tokens dispersed, then the profit sharing starts.

Adam Bertram [00:18:02]

I actually had this conversation today with the team of trying to figure out, where else can we provide some further utility? At this point it is governance and essentially just we're in the accumulation phase where you recommend ... Just accumulate as much as you can as we go. Then, the final mission is to provide profit sharing to everyone.

Ryan Moran [00:18:26]

Adam that's ... I get the end game then. If there's lots of people using the platform to auto compound and maximize yield, then it would make sense that of course there's going to be some profit from this and you would want to hold it for distributions and dividends, but it also seems just backwards from a business perspective. It sounds like this ... That there's not a clear thesis of what the value of the token is. It's almost like I am investing in a SPAC. It's like, I'm not sure how it's going to be used. There's just a promise that the money will be deployed in some way. So how would you respond to that?

Adam Bertram [00:19:06]

Yeah, I mean, you definitely have a very good point. I think what is really carrying us until we get to the final point of profit sharing is essentially how we are different than almost every other ... Essentially all the Polygon networks, at least on the network, is that it's more of a following, I guess you will, how DogeCoin is. DogeCoin has no real utility whatsoever. And look what that has done. It's essentially if we're continued to grow. I don't know how much we've ... I mean 5 or 10x or something over the last few months. But essentially were the first ones on Polygon to start. And that, because we're kind of the OG on Polygon for yield farming, we essentially kind of gathered a group of people because of the authenticity of us, the transparency that we have, the ... Essentially the non-scramming us that so many other projects have in the DeFi world.

Adam Bertram [00:20:12]



I mean, we try to show every day that we really care about making our users money. And so we are completely transparent. That's one of the biggest things that I see that people really like is essentially the community around it. If you have a piece of that community, you feel like, hey, I have a piece of the ownership of this and have a stake in it and see how it goes, and I really appreciate what these guys are doing. That's kind of what we're ... Our big value add is right now.

Ryan Moran [00:20:42]

I want to ask you about the price, because as we're recording this, this past week, there was a wild week when it comes to Koge. We went from, I think, a week and a half ago, Koge was trading for \$0.12 cents and it rose over a period of about 10 days to \$1.50 at its peak, so it 10x'd. Over the last 2 or 3 days it's come all the way back down to between \$0.50 and \$0.60 cents. We had this roller ... This rocket ship up, and then this fast fall down. I want to know from a developer and an owner's perspective, is that a stressful time for you? And does it change the overall thesis of the project when you see swings like that?

Adam Bertram [00:21:32]

I mean, if you're in the DeFi world, that's what you would expect that is extremely common to do, especially with our market cap now. As we continue to grow, the volatility will get less. We're what, in May, June, July, a few months old now, the project is. So, and because we minted all of the coins, we have a 50 million total token supply, and we're just slowly kind of giving that out to all Koge stakers until the middle of May. We have a pretty low market cap at this point. That allows whales to come in and essentially you can manipulate the market with just less than \$50,000 dollars. You can really make a swing. What happens is in that instance, and this week, was we had a few, 1 or 2, the bigger whales would come in, make a big buy. Everyone, all the retail investors got all excited and, oh, we're going to the moon, and the moon boys came out, which we try to prevent, but we couldn't prevent it this time.

Adam Bertram [00:22:40]

And it kept going up. It just kept compounding on itself. Finally, once it got up to, I don't know, what was that, \$1.50 or something around there, as soon as one of the whales dropped, then they started drop and it just compounds upon itself. I mean, it's extremely common in the DeFi world, but what I really saw for what ... This has happened, it hasn't quite happened quite this drastic in the past with the coin. What I really saw with this is you'll see that it will come back. It will come down. Nearly all the DeFi tokens will at some point, but you'll see that it slowly starts to kind of come back over time. I just was looking at an investor report. Somebody was doing some forecasting and if you kind of take a step back and on the week



view, not the 10 minute or even the day view, if you look back on the week view, you can see a slow and steady rise.

Adam Bertram [00:23:33]

I think that's what we really try to focus on is not the ... I mean, we hate the pumps and we hate the dumps the same way, because it's so volatile. It's not long-term, we really want to stress like VR here. But the long-term, we would much rather see a slow and steady increase than one of these big jumps like we just had.

Ryan Moran [00:23:54]

What is long-term to you in the defy world? It seems like a month is long-term to some people.

Adam Bertram [00:24:02]

Yeah, we're actually ... Long-term, we're old, old school in the DeFi world. That's what, 3 ... We started in May. May, June, July, that's what, 4 or 5 months. Long-term is probably the next year or so. In the next year or so we are going to ... We will be expanding the auto compounding service to other chains. We hopefully in the next ... Within the next year, it's on our roadmap, we are trying to really kind of scale out the auto compounding service. Because that's what everybody comes to KogeFarm for.

Ryan Moran [00:24:35]

When you say the other chains, what are those other chains?

Adam Bertram [00:24:37]

We haven't decided on what chain yet, but we have talked many ... We've talked the Binance smart chain, we've talked Solana before, we've talked ... I really don't want to say what chain it is, but we've talked various different chains and figuring out which one would be the best to go to. So that's our next plan.

Ryan Moran [00:24:59]

Let me see if I can kind of summarize this. It sounds like at its core, the utility or the functionality of this project is to be an auto compounding service, which is rare or doesn't exist in the DeFi world. I don't know of any other services that ...

Adam Bertram [00:25:19]

There are some, there are a handful of them. Yeah.



Ryan Moran [00:25:21]

Okay. That is your differentiating factor in most of the DeFi world and your expectation ...

Adam Bertram [00:25:27]

Yeah, our differentiating factor is, yes, yield aggregation and low fees.

Ryan Moran [00:25:31]

And your expectation is that as the platform expands, there will be profits from the fees taken, which will then be distributed to token holders. Until then, you're in the accumulation phase, which means that people are buying Koge and getting dividends in the form of Koge when they stake it. And they're getting more Koge, which have a value based on ... Actually, that's a good question. What does give it value?

Adam Bertram [00:26:05]

I mean, what gives Doge value at this point? It's more of what ... I have seen is what gives it value at this point in time is essentially our backers, our belief, just simple belief in the project at this point.

Ryan Moran [00:26:23]

Is it other people buying it that will determine the price at this point?

Adam Bertram [00:26:28]

Yeah. I mean, yeah. That's with any token, is the more people that buy it, the higher the price will go. That's what ... Essentially, that's what it is now. It's just people that ... I mean, for our long-term holders, you got the diehard people will hold forever. You've got a small section of people that just want to use Koge to make a quick buck, a day trade on it almost. Yeah, at this point, as we continue the accumulation phase, we can continue building out the auto compounding service to other chains, talking about NFTs, and really just trying to expand the community. We really try to focus on just that sort of thing. Building the community, building out, and just being there for people while we're actually accumulating.

Ryan Moran [00:27:15]

Okay. This requires a bit more explanation. In the crypto world, when a new project gets launched, they will often incentivize other people to put their other currencies onto their platform, and they pay them a return in the form of additional tokens. Remember, those are



like shares in the project. So, when a new project gets launched, if you put your Ethereum onto their platform, they call that staking, if you stake your Ethereum to this project, that project will use that as liquidity to keep the project going. They reward people in the form of more tokens. Now those tokens might go up in value or they might be worth nothing. It can be a risky play to give your Ethereum to this platform and get passive income that could actually be worthless. Now, in most cases, your Ethereum is still protected, but the return that you're getting could be going to zero, because you're just getting this worthless community token.

Ryan Moran [00:28:18]

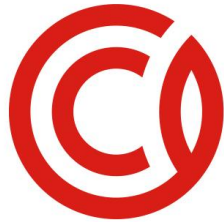
What Koge does is it automatically sells that native token. It sells your rewards and reinvests it back into the underlying currency. If you take your Ethereum and you lend it to this project, and you're getting 20% in passive income, Koge will sell that 20% and put it back into Ethereum. If Ethereum price stays flat and you get 20% for the year, you're just getting 20% more Ethereum by the end of the year. Does that make sense? I hope so. Cause it's about to get even more confusing. The way that Koge makes its money is it takes a very small fee. I think at the time of this recording, it's 1%. So, 1% of the profits that you make on this platform go to Koge and some of it goes to the developers and a good amount of it goes to the token holders.

Ryan Moran [00:29:14]

So, as somebody who has invested in KogeCoin, and please remember, this is not an endorsement of KogeCoin. Please don't buy things that you just hear random dudes on the internet say that they invested in. I may have sold all of my tokens by the time you hear this, I don't know what's going to happen with the project. One of the things that was compelling to me was knowing, hey, this is actually a really cool platform. I can see why people would value having this feature, where it sells the reward token and puts it back into the native token. There are some farms, some opportunities on KogeFarm that are providing 40%, 50%, 60% returns in tokens that I want to hold anyway. In fact, I just looked last night and there was a farm on KogeFarm where I could stake 2 coins that I wanted to hold long-term.

Ryan Moran [00:30:06]

I think they were Ethereum and MATIC, which is the Polygon token. If I stake those 2 coins on this one project, I'll get an estimated 46% return that just gets reinvested into more Ethereum and into more MATIC. Now those percentages can change from day to day, but it's a very interesting play to know that Koge is going to take care of de-risking it for me. As a holder, I'm going to get a part of the profits that they take. That's what makes a project like this so



interesting. Now, the other thing that is really fascinating about this is because there are so many holders of the KogeCoin, all of those individuals are like mini ambassadors for people to come use the KogeFarm platform, right? I'm talking about it right now. I wouldn't have become interested in it if I didn't have money invested in the success of that project.

Ryan Moran [00:31:08]

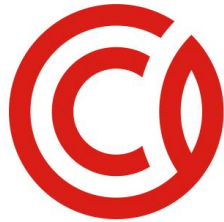
And since it's so easy for people to buy the coin and use the platform, it makes sense that there'd be a lot of people who would want to be recruiting their friends to bring their money onto this platform. Now that doesn't make it a Ponzi scheme, this is a legitimate project, and this has legitimate returns when used appropriately. But I find it so interesting that each little holder of the project is like part of the marketing team and these entire communities are being built because they're financially incentivized to see the success of this project. I find this fascinating from a marketing perspective, because if you have your customers with aligned incentives behind the success of this project, oh my goodness. What a fascinating world. For example, I used to own a lot of AT&T stock. I sold when they did their buyout of Time Warner or whatever it was, when they divided up the assets.

Ryan Moran [00:32:06]

They had a dividend of 8%. Inside my E-Trade account, I had it set to have a dividend reinvestment plan turned on. Every time I got a dividend, I didn't take it in US dollars. I just bought more AT&T stock. That's what I do with Verizon and IBM and the other dividend paying stocks that I have. Well, Koge does the exact same thing, but with crypto and then they take their 1% fee. It makes total sense to me that I would just put my crypto on a platform like Koge and let Koge reinvest those profits back into the assets that I want to hold long-term. Now I'm a mini ambassador because I own some KogeCoin myself. As more people use that platform and it becomes profitable, I'll share in the profits of that platform. All right. Are you seeing how this works? Are you seeing how this is a completely new way to structure a business? In fact, I don't even know if Adam is on payroll at this company, or if he is just making his money in the form of coins being distributed.

Ryan Moran [00:33:10]

I don't know, I didn't ask, but I find it so fascinating that these projects are completely being built around a community. They're not going out and doing raises or doing a ton of marketing, although I think they should. Instead, they're just relying completely on the community, getting value from the platform and participating in the upside of the project. Adam, is this a race to acquire users at this point in this space? I mean, is this ... If you look ... I mean, Apple



iOS releases, you could have 9 apps that do exactly the same thing. He who acquires the most users wins. Is that what we're looking at right now in this space?

Adam Bertram [00:33:52]

Yes. For the most part, in the space that we're in, the auto compounding yield farming space, the race is for total TVL, total value locked of all of our vaults. The more value that we have in our vaults, the more performance fees that we can accumulate, which has been the bigger that we can get, then we can share. That is the biggest metric of success in our space, TVL.

Ryan Moran [00:34:19]

So, I'm being really honest with you right now. That was the first time that I went, oh, okay. Now, I can actually see where this is going, in a business perspective, because it gives me pause and a little bit of heebie-jeebies when you say things like what gives Doge value? Nothing gives Doge value. So, why should I buy KogeCoin?

Adam Bertram [00:34:40]

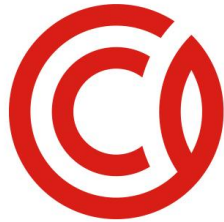
Yeah, Doge doesn't have an auto ... It doesn't have a post farm doesn't have ...

Ryan Moran [00:34:43]

It has nothing but a really famous promoter. That's all it has, a famous promoter. People are buying it, hoping that it goes higher. So when you said that it was the first time I'm like, okay, I, can now see thesis a little bit to where, what I would be thinking of if I'm you or somebody on the development team then is, okay, our job is to go create really attractive farms and yields on the platform to attract other capital, thus attracting people who want to put capital there, which gives liquidity to the entire marketplace. That to me would be my perspective. Am I summarizing it? Or am I putting words in your mouth?

Adam Bertram [00:35:24]

No, yeah, that's right. I mean, if you think of the ... I mean, if you boil it down, the whole goal is to increase TVL, total value locked for all the vaults, we're doing that lots of different ways, through community, through all the soft stuff where people just want to feel like an owner in the potential profit sharing, but we're now ... We're revamping our development, the environment and processes to actually get out vaults faster because what we've seen is that whenever we ... If you're first to market when it comes to a vault or an auto compounding service for a popular farm, people are going to flock to that. You'll see people ... DeFi is so ... It's so fast. You'll see people jump in, jump out, jump in, jump out. I mean, that's what yield farming is. They farm yield from all these different places. The first to market always wins.



Adam Bertram [00:36:14]

What we're trying to do is, on another side of that, improving the product, is actually building out an automation process where we can just quickly just spin up all these vaults and smart contracts like crazy, as much as possible, so we can always be on the forefront of that and have the first to market advantage.

Ryan Moran [00:36:32]

So, one of the things I teach my e-commerce students is something I call the owner's model, which is where you have ... You develop the product, you partner with an audience, and you raise the capital in order to have the advantage of speed to market and as much awareness as possible. You can be selling the exact same thing as somebody else but if you're selling it to a specific group with a certain audience, you can charge a premium and you can carve out your space in the marketplace. What you just said is if you get like your goal here is to kind of run that same model of try to get distribution to the investors, lock up capital so that there's liquidity and be the best product in that space, so that you carve out that section of the community. Is that ..

Adam Bertram [00:37:19]

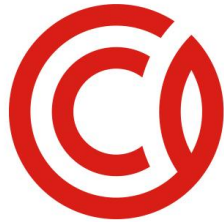
That's the way to put it.

Ryan Moran [00:37:20]

Okay. Perfect. So, I'm starting to understand now. Now, if I read correctly, it sounds like based on the speed at which tokens are being minted, that we'll be at full supply, Koge will have issued all it's 50 million tokens by about May of 2022. If that timeline is correct, can you tell me what happens after that?

Adam Bertram [00:37:45]

Well, let me make a quick correction there. We, unlike many other tokens, we don't have ... We can't mint anymore. We minted all the 50 million supply all at once. That's a big difference than what a lot of coins are, where they're just ... They'll just mint like crazy so they can try to get more value. And those are the inflationary tokens. The big difference between Koge is that we've already minted our 50 million. That's a pretty small supply already. We are distributing the remaining tokens. We did a fair launch airdrop where we would give ... Provide free tokens to anybody that wanted to claim them. We had a bunch of unclaimed tokens leftover, and we are using those in our staking vault to then provide, give those tokens out to more people that



stake. That's how we are giving up, and based on the Koge per block that we're distributing, that will be done around May of next year.

Ryan Moran [00:38:40]

Okay. What happens once ... Basically what you're saying is the tokens exist. They're just not in the hands of anyone because they were unclaimed and now they're being distributed on the platform as the reward system. But what happens when they are all in circulation, when all 50 million are now in people's wallets, what happens then? Why are people using the platform?

Adam Bertram [00:39:03]

Yeah. That's going to happen in May, 2020 at the current emit rate. And that's when profit sharing starts. People can do whatever they want with their KogeCoins, but they'll ... Whoever holds them will get those percentage of profits that we provide.

Ryan Moran [00:39:15]

How are those profits distributed if all the Koge is in circulation?

Adam Bertram [00:39:22]

We will have ... We have a certain amount kind of set aside for that. We have kind of a, I guess you want to call it, a buffer of some Koge that we're going to have, but for the most part, that's just ... We're not planning on ever using a small buffer, but essentially we are, as people ... Our TBL increases in all of our vaults, we're going to use the stable coins that we would eventually get from there and send, though we don't know the specifics of it yet. We don't know if they're going to be more Koge or more stable coins or whatever, but, essentially we're going to keep a little bit of a buffer in case who knows what happens in the DeFi world 6 months from now. But for the most part, those rewards are going to come from actually other people that have locked their funds in our vaults.

Ryan Moran [00:40:12]

When you say you're going to keep a buffer, do you mean a buffer of Koge tokens or of a stable coin or something else?

Adam Bertram [00:40:20]

No, that's going to be USDC. That's going to be a ...

Ryan Moran [00:40:24]



I see. Okay. You say that there's going to be profit sharing, the profit sharing is distributed as a USDC, as ...

Adam Bertram [00:40:34]

Well no, I don't want to say yes or no to that yet. Those are plans that, in the DeFi world, that's ... The plan is we've talked off and on about that, but we are probably ... It's probably going to be a stable coin, like USDC. We don't want to commit to ... It's not going to be some inflationary ... It's not going to be ...

Ryan Moran [00:40:56]

It's just early. You haven't made that decision yet.

Adam Bertram [00:40:57]

Correct. Yes.

Ryan Moran [00:40:58]

Okay. Tell me about the burning process. I've seen some of the communication within the community of people talking about when Koge tokens are going to be burned, and I know nothing about this, so I don't even know where burning events happen and I'm still learning about this a little bit. So would you explain that to me?

Adam Bertram [00:41:17]

Yeah. That's what ... Something else that differentiates us from a lot of the other coins out there is that we are known as a deflationary token. Instead of minting, more and more, we don't even have a function in our smart contract to actually do that. Instead of minting more, we will be burning more, and burning essentially makes it a deflationary token where if the price will go up, keeps going up, we're just going to keep burning. We have different burn events, which are essentially just destroying the Koge tokens. That's what burning is. You just send it off into the ether and it goes away. When the supply goes down, the demand is theoretically supposed to go up. And that's the goal. As of now the profits that we are generating, they aren't going anywhere. They're not even going to us. We have a certain set of ... For the developers and for the other people on the team, we have a certain ... Vaults set aside for that. All the profits that we're making now are going ... They will be burned as of next week after we get our ... All of our audit stuff taken care of, but those will start a continuous burn.

Ryan Moran [00:42:29]



What is the burning event? What triggers something to be ... A coin to be burned?

Adam Bertram [00:42:34]

Whenever we get profits. There's different burning events. If you have a ... Some people announce when they're going to burn their tokens. Some people don't. Some people have specific times, but you'll see, called ... People do burn front running. So if they know a burn is going to happen, they buy up all the coins and think it's going to rise when the burn happens. To prevent that, we are going to do what's called a continuous burner, which is essentially, as soon as we get the profits in, they're just going to be burned. They're just going to be constantly burned.

Ryan Moran [00:43:06]

So, do you mean any time that the developers take a profit that is just burned tokens? Is that what you mean?

Adam Bertram [00:43:11]

No. The developers are paid from a different wallet that's already been set aside for the development purposes. All the software that we pull from it will.

Ryan Moran [00:43:21]

Oh, that's ... I'm still not quite understanding that. The profits that are pulled from what?

Adam Bertram [00:43:27]

From all the 1% of the reward tokens that we are accumulating through all of our vaults.

Ryan Moran [00:43:33]

Okay. It was my understanding that that's also the pool that is being distributed to token holders. Are you saying that ...

Adam Bertram [00:43:42]

But not right now.

Ryan Moran [00:43:42]

Okay. Not right now, but once there is at full supply.

Adam Bertram [00:43:47]



Correct, the burns will stop when it gets to the full supply. From now until profit sharing, we're just going to burn all the tokens to preferably increase the value of Koge. And then, once profit sharing starts, then we're going to stop the burns and then start profit sharing with people.

Ryan Moran

Okay. Okay. So, when a profit is made from the farms, those tokens get burned.

Adam Bertram [00:44:17]

Yes. Not as of today, but as of probably next week, as soon as we get our audit done.

Ryan Moran [00:44:23]

Okay. What a world. This rabbit hole goes deep, Adam.

Adam Bertram [00:44:31]

You're talking to ... You're probably in the deepest part of DeFi that you can get right now.

Ryan Moran [00:44:38]

That's good because I've been catching up. I have been catching up.

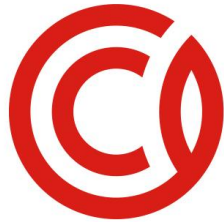
Adam Bertram [00:44:41]

Even to get to KogeFarm, you have to go through 2 or 3 layers of DeFi to get to where you are right now.

Ryan Moran [00:44:46]

Okay. This is about where my brain was done trying to learn new things, but it feels like we're starting to get down to the bottom of the rabbit hole. Basically what Adam is saying here is that Koge has a maximum supply of 50 million tokens. That means that when the project was started, there's only ever 50 million tokens that are going to be made available. Now, at the time of this recording, there are about 17 million tokens that are actually in circulation. That means that they're in people's wallets. Some of that is in my wallet. At the same time about a quarter million tokens have been burned. That means they're gone. It sounds like they're planning on burning a lot more. Now, this is very different than buying a currency in which the government can always print more. That's called inflation. It's also different from buying into a company where they could dilute shares.

Ryan Moran [00:45:43]



In this case, the board, the managers of the project are actually incentivized to destroy shares. As there are profits that are generated by the platform, those profits are buying coins on the open market and they're burning them. Why would they do that? Because it makes the coins that are left more valuable. It decreases the total supply that is available, thus making it more financially rewarding for people to hold the coin. The tokenomics of this are actually incentivizing people to buy and hold the asset in 2 ways. 1, because they're going to be dividends paid to those holders from the profits of the project. 2nd, because the project is written in a way where excess supply will be burned and so the value of yours would naturally go up. This is of course dependent on people actually using the platform in the way that it's designed. And that is to take your Ethereum or your MATIC or your Sushi or whatever coin you're holding and putting it on Koge and getting the passive income from staking it to other projects.

Ryan Moran [00:46:59]

If your brain hurts at this point, don't worry. Mine did too for a long time while trying to understand this world, but I'm extremely bullish and curious about this technology, because it opens up an entire new way to do business. What does success look like in a project like this? This seems so down the rabbit hole. What does it mean to win on a project like this?

Adam Bertram [00:47:26]

What it means to win is have the most TVL of all of our competitors and thus providing the most profits to all of our KogeCoin holders.

Ryan Moran [00:47:37]

TVL meaning that the total value locked, meaning the amount of capital that people have put into the system, that is now generating fractional profits for the holders of the token. Is that what you mean?

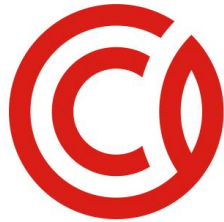
Adam Bertram [00:47:52]

Correct? Yes.

Ryan Moran [00:47:54]

So, winning to you, does it mean being the most successful yield aggregator on Polygon or does it mean something else?

Adam Bertram [00:48:04]



Long-term, which in May of next year, again, this is DeFi, you never know where it's going to be. But, the founder and I have talked about this quite a bit. There's a lots of different ways that we could go. If I were to say, where is KogeFarm going to be in 6 months from now, definitely multi chain provides scale to service to other chains. I mean, that's not a big surprise to anyone, but more of a ... Probably going to be a mainstream focus. Now you have services like Ave and Compound, which are similar to ... In the same vein, at least, of what we do. You see their TVL, it's just insane, but you don't have all the crazy degen interest rates and yield potential that you can with a lot of vaults that we have. Let's say maybe 6 months, 8 months from now, it's probably gonna be more, we don't want to kind of lose our roots of all the insane high yield potential that you can get, but we want to kind of ... More focused more on the mainstream audience, more people that ... Beginners, people that would focus more on Ave or Compound and go from there.

Ryan Moran [00:49:24]

Adam, is this your full-time thing?

Adam Bertram [00:49:26]

No. Pretty much, well ... Since I have a business and I'm a freelancer, but I'm, I have a team behind that. I've dove in head first in this. I'm pretty much spending the majority of my time on this project at the moment, which I probably spend a little bit too much time.

Ryan Moran [00:49:46]

Because I looked it up. I think you have a background at Microsoft, but you're very well-respected in your field and it's kind of curious to me like why someone of your caliber would yell cannonball into the pool of this very small project deep in the DeFi space. What compels you to do this?

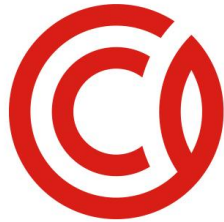
Adam Bertram [00:50:06]

You sound like my wife.

Ryan Moran [00:50:08]

I'm genuinely curious. Look, I'm an investor at this point. But, I'm an investor from like an ... I'm doing this because I'm trying to learn this space because it's moving so fast. And so, there has to be something that compels you to this project, to this world and I want to understand what that is.

Adam Bertram [00:50:27]



Yeah. I'm the type of ... I'm an entrepreneur by heart. I've been for years. Whenever I come across an industry like crypto that I believe will ... It's going to be exploding in the next few years, I think it's the future of currency. So, I wanted to get into a project that was in that space somehow. Since I really like working and building with startups, I don't like ... I would never join Coinbase or Ave, or even Compound or even the larger ones. I really like starting from scratch and helping a scrappy community and startup and really helping them build from nothing. That's why I started with Koge. Originally, I started with Koge because of the community. I was kind of browsing around various telegram channels and Discord chats, and I can see the difference. I could see the difference, how the developers are just really transparent. It would help everyone immediately.

Adam Bertram [00:51:30]

And it was clear that this was different than a lot of other projects because they just essentially cared about the people that they were actually servicing. That's probably one of the best reasons why I started. That's when I started ... This is a tiny project. I really want to build it. I want to get ... I want to do more in the crypto space. And I thought this was a very good opportunity to do so.

Ryan Moran [00:51:54]

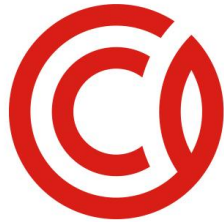
Is this, in your mind, is this an opportunity to learn more about the space or is this a significant financial opportunity for you personally?

Adam Bertram [00:52:04]

I'm glad you asked that because I started in with just as a learning opportunity because I just want it to get more, like you were, kind of yourself, just to get more into the space and just learn how crypto works, because I think it's going to be the future. When I originally got it in, I just went in because I wanted to build something. It had nothing to do with financial, because I already have a successful business. I'm not financially struggling by any means. I don't need the extra money. When I started, that's when I started. When I started. it was like, okay, I'm just going to buy a lot of KogeCoin because I believe in this product I want to build, whenever I go in, I go 100% all into something. Ask my wife. 100% or nothing.

Adam Bertram [00:52:52]

So it was 100%, I'm going to just drop lots of my own capital into this and into this KogeCoin. Eventually, maybe it will, maybe it won't, I will see how it goes, but this most recent run-up, it kinda made me think like, wow, I may actually make some money on this. I didn't even know it was possible. This most recent run-up is I had the most money that I ever have in my entire life,



in my trading portfolio at the time. What really made me think of this is the project for me was because I didn't sell, I'd scrape off a little bit of the profits, but I could have dumped and could have made enough money to last me for years to come. But I didn't. That's what really solidified my belief in what we're doing in the project because I had all this opportunity, here's all this money for you, here's this big bag of cash, and I didn't just immediately dump it and go away because it kind of gave me a deeper feeling of, holy shit, I'm really care about this project. I want to see how it goes. That's where I am right now.

Ryan Moran [00:54:00]

I'm really glad to hear you say that. I'm really glad to hear you say that because I had this same experience this week where I ... I learn best by taking my licks. I put quite a bit, I put a decent amount into this project and then watched it 10x and, had a great couple of days, but didn't sell any. I just, I kept it in the platform and continued to compound. I then had a rough week when it started to come back down because it fell ... It went up 10x and then it fell 2/3rds. So, it's still up like 3x or 4x from what it was before but it does seem like the people with the biggest amounts actually believe in this, which gives me greater conviction too, because there has to be a collective conviction around it in order for something like this to ever be profitable. Right now, we're playing with fake money. We're playing with tokens that don't have inherent value at this point. And so, as a participant ...

Adam Bertram [00:55:05]

You can convert them to fiat if you really wanted to.

Ryan Moran [00:55:07]

So, tell me exactly what you mean by that. When I say they don't have any value, I mean, like they don't ... people aren't using them for anything, they're just being bought and sold.

Adam Bertram [00:55:14]

Oh, no, no, yeah. Yeah. You would have to convert them to fiat to use them. Yeah. Just for example, whenever you ... And in this most recent run-up, I shaved off a little bit of the profits when they were just way up there and I'm going to buy a deck for the truck. Yeah, I mean, yeah, when value, you can actually ... Take Koge, we're actually been talking to some people about figuring out a way to do that, but I'm not even ... That's another conversation, but yeah, you can't take Koge and buy a deck or buy something else from it. You have to go through the painful process of doing the bridge and finding an exchange that will let you convert to fiat and all that good stuff.



Ryan Moran [00:55:55]

Adam, is there anything that I didn't ask you that I should have?

Adam Bertram [00:56:00]

That is a very, very good question. I think you've pretty much taken care of everything that was on our roadmap that I can publicly share.

Ryan Moran [00:56:15]

Okay. I'm so down the rabbit hole right now, I don't even know how to come out of this. I'll just say this. Adam, I am kind of documenting this experience as a learning experience for myself. I'm just learning this as a sideline participant. As somebody who is really in it and can think of it as like making their life about it, what are your stress levels like when you see the community and this industry changing and the price fluctuations, like what is your stress level during that time?

Adam Bertram [00:56:58]

To be honest with you, I don't much pay attention to the ... When I started in crypto, I was all over the place. When I start down the rabbit hole in anything, I will go far and wide. I have accounts on probably 10 exchanges now, and I've traded on 10 central exchanges. I've got I don't know how many wallets of just ... I try everything there is under the sun. Now since I've found a focus on something, a project that I believe in, and I want to succeed, it consumes pretty much everything that I think about in crypto. I have a few things ... I dabble in some stuff in the Anchor Protocol and something, some Avalanche here and there, but for the most part, really my focus is on just building the product, even regardless of the price. It will go up, it will go down. It doesn't affect.

Adam Bertram [00:57:53]

The only thing that we, that the team really cares about, of course we want KogeCoin to stay stable and to go up as much as possible. For the most part, it's all about just grinding and getting more ... Attracting more people to KogeCoin so then we can build a ... Something sustainable, unlike the fly by night projects that you see so much in DeFi.

Ryan Moran [00:58:16]

Adam, we'll be watching. Thanks so much for sharing with us today. Thanks for hanging out with Capitalism.com.



Adam Bertram [00:58:21]

Thank you.

Ryan Moran [00:58:22]

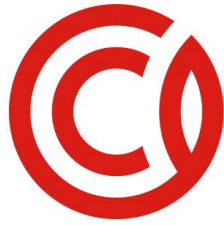
Okay, Capitalists, that may have been a brain workout for you. It certainly was for me. I definitely want to restate again that I'm not recommending that you put your money into a speculative project like Koge or anything that you hear me talk about. At the time of this recording, the value of KogeCoin is pretty erratic. It's gone from \$0.07 cents to a \$1.50 back down to \$0.38 cents and everywhere in between. It's been kind of a roller coaster ride, but I am learning so much just by participating in a project like this. It's been a very interesting and profitable education for me thus far. In fact, there are some farms on KogeCoin that have paid me 1% per day, sometimes more. Then there's really what I might call conservative pools on KogeCoin that are providing 30%, 50%, 60% returns per year. Those percentages can fluctuate based on the value of each coin that is on the platform.

Ryan Moran [00:59:27]

But it's a very, very interesting space. There is a reason why Gary Vee can't stop talking about NFTs or why Mark Cuban is so bullish on crypto and DeFi. There's a reason why my 2021 keynote from Cap Con this year was mostly about the future of finance, capitalism, and the amount of abundance that is about to come. It's because that's where the world is going. I am not the most educated guy in this space. There are gurus out there who live and breathe this stuff. I'm just a regular dude who made money in affiliate marketing and e-commerce and building and selling brands. But I can see what the next chapter of capitalism looks like. And I can see where most of the world is going economically, and it's in this direction. It is fascinating to see all of the different options and opportunities that are opening up. Hey, if you made it to this far in the podcast and you're liking this stuff, would you let me know? Drop a review on Apple Podcasts and let me know what you thought, and you can also drop me a line directly on Instagram. I'm @Ryan Daniel Moran. I'd love to hear from you.

Ryan Moran [01:00:39]

My brain still hurts from all this token talk. I'm going to go take a nap. See you guys later. 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. You can get plugged in at 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



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