



CATCHING

YOUR GUIDE TO BITCOIN



AND THE NEW DIGITAL ECONOMY

TO CRYPTO



BEN ARMSTRONG

Foreword by Raoul Pal, CEO & Founder,
Real Vision Group & Global Macro Investor

WILEY

Catching Up to Crypto

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New Digital Economy

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*This book is dedicated to the love of my life, my wife,
Bethany Armstrong.*

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Foreword

Catching Up to Crypto is a book that needed to be written, and there is no better person than Ben to write it! The crypto world is new for most people, and it's moving incredibly fast too. I think I speak for all of us in saying it's a daunting task to stay on top of it. Everything sounds like a foreign language, and getting up to speed with what it's all about means that you always have to ask the "dumb" questions. That never feels good.

However, we're all learning together. Crypto is new for all of us, and there are no "dumb" questions. We're all still beginners, and we all need a good guide and mentor to answer all the questions in our heads. This is what Ben does with this book.

Ben is a deep expert in the space, but he also possesses that magic quality of being a very effective communicator and a champion of helping people understand everything – from the basics to the complexities. This book showcases Ben's ability to help everyone in their crypto journey with the understanding they really need to invest as well as thrive.

The world of crypto really matters. It's not some flash in the pan or a tulip bubble as many in the media will tell you. It's one of the biggest changes to global business models, let alone the entire financial system . . . ever. And it's happening at the fastest pace of adoption of any technology in human history. When something this important is underway, it can create tremendous opportunities for those who take the time to learn, to either invest in the space or to use the technology to grow their own business.

The media paints an image of crypto being about lawless gambling and scam artists speculating around something of no value, but the reality is very far from that. Hundreds of billions of dollars of investment from the smartest VC investors is creating a magnet for the most talented entrepreneurs, developers, marketers, hedge fund managers, asset managers, etc. The smartest, most talented people in the world are now dedicating their lives to crypto, and more than a trillion dollars of value has already been created. However, this is still just the start of this revolution. Even the largest brands, companies, and financial institutions in the world are now developing their own Web 3/ crypto strategy, fueling yet more opportunity and funneling yet more talent and capital into the space.

No one can afford to be left behind. So many people have been let down by the system – sidelined and not given the opportunity to create their own success. Web 3.0 and the crypto world is leveling the playing field, and we all need the knowledge to get started.

I really hope *Catching Up to Crypto* gives you the leg up that you need on the path to your success.

—Raoul Pal
CEO/Cofounder, Real Vision Group
www.realvision.com
@RaoulGMI on Twitter

Preface

People ask me a lot what is the secret to my success. It's simple. It's Bethany. When we got married 13 years ago, we barely knew each other. We'd only dated for seven months before we were married. Looking back, it was quite a risky endeavor. Marriage is a rite of passage for most and I believe most treat it that way. You're constantly looking for the person who will eventually become your spouse. But you can't really understand marriage until you're married. Marriages are notorious for ups and downs. And I can tell you we have certainly seen those. Three kids, five dogs, and a bazillion failed businesses will do that.

I started my first business in 2011 and it was wildly successful. I went from making \$25k per year as an assistant manager at a car wash to making \$350k within two years. Life was good and we were comfortable. But things dramatically changed over the next few years and we were back to living paycheck to paycheck. When I tell you I tried everything to get our finances back on track, I tried *everything*. Web design, graphic design, animation, SEO, YouTube channel, social media manager, memorabilia, blogs, consulting, creating online courses, flipping things—and those are just some of the many failed businesses I started over the course of a five-year stretch.

And yet, no matter how much I failed, I got back up and went at it again with as much zeal and fervor for the next thing as I had for the previous endeavor. It would have been easy for me to give up and go back to the rat race. But I was determined. And I wasn't in it alone. No matter how many times I failed, no matter how many hard financial conversations we had to have, no matter how poor we were, Bethany never gave up on me. She pushed me and encouraged me and consoled me and motivated me. And when I failed, she was the reason I got back up. She never wavered in her belief that I was going to make something out of myself.

In 2018, we sold our house so we could survive while I started the Bit-Boy Crypto YouTube channel and went full-time in crypto. That's crazy! We moved across the state and only survived on side hustles and the profits from the sale of our first home. The home all our kids were born in. I still don't know how she was able to believe in me *yet again*. But she did.

In early 2020, I sat her down and explained that, though we could barely afford groceries, our life was about to drastically change. I did this because in January of 2020, as clear as day, the Lord spoke to me in a dream and told me that we needed to get our house in order because our lives would dramatically change by the end of the year. I told Bethany that by the end of the year we would be millionaires, we'd own a home, and life would look completely different. She looked at me and said she didn't understand how, but she believed me.

In September of 2020, we bought our second home after two years of renting. With cash. And on New Year's Eve 2020, just like I received in that message, my crypto accounts hit \$1 million for the first time. And yes, life looks completely different for us now. I can't stress how grateful and appreciative I am for having such a supportive wife. I could not have done any of this without her.

I would also like to dedicate this book to my three kids: Madden, Zoe, and Blake. I don't know how I was blessed with virtually perfect children because, after the way I behaved as a kid . . . I certainly didn't deserve it. This is an example of radical grace! Sorry, Mom!

In addition, this book is dedicated to everyone who has been with me along the way . . . my parents, my siblings, my grandparents, my Uncle Tim, and of course my best friend, Jim aka *Brooootheeeeerrrrr!*

And of course, this book is dedicated to the largest and greatest crypto community in all the interwebs . . . *the BitSquad!* I would be nowhere without the support of my community. I'm forever indebted to the viewers of my channel. When I meet people at meetups, often they thank me for what I've done for the crypto space. And then I tell them thank you right back. If it weren't for all the loyal BitSquad members that gave me a chance, my channel would be nothing. The community is what makes it great.

This book is for all of you.

Acknowledgments

This book wouldn't have happened without the infrastructure we built at BitBoy Crypto and Hit Network. The amount of streamlining we did to make this book possible in only six months' time was quite the undertaking. Every person on my team has played some role because we are all in this together.

But some specific people need to be particularly thanked for their role in creating this book.

The biggest thank you goes out to Nick Dimondi, the Head of Content at BitBoy Crypto. Nick has helped us to radically transform the direction of BitBoy Crypto ever since he joined the team. Balancing all of the content we produce is difficult, but Nick always delivers on cue. And Nick played the biggest role in helping us get ideas and narratives from the whiteboard into the structure of this book. He organized meetings and managed the project to keep us well ahead of aggressive timelines. Nick is the glue that held this project together. There's no topic that can't be broken down by me, Nick, and a whiteboard. We are dangerous!

Next, *huge* thank you to John Vibes. John has been a writer with BitBoy Crypto for a significant amount of time and was really the workhorse that made this project go. John and I have been in crypto for about the same time and have experienced many of the same things, whether it is libertarian meetups, crashing and hacked exchanges, philosophical battles on decentralization, etc. This resulted in an extremely easy writing process where we debated what should and should not go in this book. It's great to be able to work with people with completely different opinions and experiences. However, working with John Vibes shows that it's way easier when you agree on almost every topic.

Cannot forget to send a huge thank you to my assistant, Allison Fiveash. Without Allison, not only does this book not get written . . . but also I don't eat or go to the doctor, I forget to pick up my kids, I botch up my calendar, and I generally make a mess out of the basic things in life. Allison keeps me on schedule and on target at all times. I don't want to flex, but Allison really is the greatest assistant in the history of assistants.

Thank you to the graphic design team here at BitBoy Crypto for helping us with art mockups for the cover and graphics, specifically Ashley Cooper and Graphic Design Lead Steven Polizzi. I appreciate you.

And of course thank you to my business partner, TJ Shedd, for your overall support. We are the Shaq and Kobe of crypto . . . if they never decided to break up. (Obviously I'm Shaq because I'm taller.) We've already won a ton of championships and there's even more down the road.

Introduction

I have bad news for you and good news.

Bad News: Crypto is hard. Let's get that out of the way right off the rip. Just like building a website was in 1995. Over time it will get easier as adoption grows and simpler processes are introduced. The space is big and it's complicated. Crypto is cutting edge technology, the next step of human evolution in terms of making our lives easier. So it seems to be a bit of a paradox: something extremely difficult to understand that ultimately will make our lives simpler.

Good News: You can learn it. I know this because I learned it. I'm a regular guy. I'm not a technology guru. I'm not a gamer. To be honest, I don't even read books often. I read a lot of tweets, watch a lot of YouTube videos, and break down news articles. I'm not your prototypical technology nerd. So even if you have no understanding of crypto, investing, or technology, I'm here to tell you: I did it and you can too. As I break down my journey in crypto, I think you will understand why I believe you can make it.

The first time I ever heard of Bitcoin was in November of 2012. I was running an online ticket company where I basically sold tickets for events all over the United States on Craigslist. I used an automated ad poster for Craigslist to crank out over 800,000 ticket ads per day across the entire country. The name of the software was called CLAD Genius and it was a killer work of art that made my life 100 times better. To do this, though, I had to post in every local Craigslist. But here was the problem: using automated software was against the Craigslist terms of service.

The creator of the software was Yuri from Ukraine. Craigslist decided to sue Yuri for creating the software. To answer the lawsuit, Yuri would have had to come to America, which is obviously something he wasn't going to do. And since he didn't show up in the States, through ICANN the US government was able to seize Yuri's website and cancel all his payment processors.

To use Yuri's service, we had to pay Craigslist a monthly fee for every license we had. I had 12 licenses and the money added up quickly. And Yuri couldn't just keep his service going for free. So he paused our payments until he could figure something out. For about six months there was no progress until November of 2012, when Yuri sent me an email saying he would begin accepting this new type of digital currency called Bitcoin. I didn't care to learn more about it – all I wanted was to catch up on my payments to keep the software. So I immediately went through all the steps, including creating a wallet with the site Mt. Gox as well as sending and receiving crypto through a company called BitInstant. After a couple days of a learning curve, I was off to the races and running with Bitcoin.

Throughout 2013 I bought more and more Bitcoin. People often think that's how I became wealthy. WRONG! The truth was I didn't understand Bitcoin. If, instead of paying Yuri (who MUST be a billionaire now) every month in Bitcoin, I had simply invested that money and hodled, I would have been worth eight figures in 2017. This haunted me for years. But that's what eventually led me to create my YouTube channel, where I actually have a higher earning potential than I ever would've had if I'd just gotten rich early without doing the work.

In November of 2013, the price of Bitcoin broke \$1,000. Suddenly the double digits' worth of Bitcoin I had in my wallet for payments were worth four figures. I decided to sell it. I sold 6 Bitcoin for \$1,700. At the time I thought I was a super genius. I took my wife and kids to Florida for a little vacation and spent the rest on some bills. At the peak of the bull run in October of 2021, that dust would have been worth \$420,000. This is the mistake that drove me deep into crypto.

Selling Bitcoin was a lot harder than buying, though, because it involved using a third party to do the transaction, including an escrow account on **LocalBitcoins.com**. I posted my price and the available amount, and it matched me with several different investors. I looked at all the choices and one guy stood out, as I could tell he wasn't scamming. We scheduled a meet-up at a local McDonald's.

This is a very important part of the story. We were supposed to meet, but the guy was late. So while I waited I researched Bitcoin – for almost an hour. I guess there was a little voice in my head telling me I should sell *some* Bitcoin, but I wasn't sure I wanted to sell all I had. The idea of Bitcoin sounded so insane, and I could barely understand how to use it. The education available on Bitcoin in 2012 was *awful*. Most of the information out there was poorly written, insanely bad news articles. There was only one YouTube channel, called Bitcoin Unnecessary. So for an hour I tried to grasp who this Satoshi Nakamoto was – the still-unidentified person or persons who invented Bitcoin – and what gave Bitcoin its value. But I just couldn't get all this talk of blockchains, coins, trading, investments, and whatever else. So when the guy finally showed up – he'd gone to the wrong McDonald's – I ended up selling him just 6 Bitcoin rather than cashing it all out. I transferred the Bitcoin to him over Wi-Fi, and he handed me \$1,700 and left.

Again, that was in November of 2013. In February of 2014, Mt. Gox – a Bitcoin exchange based in Tokyo, Japan, which handled about 90% of all Bitcoin trading activity – announced that the site had been hacked, and everyone's money was gone. And as I write this in 2022 the Mt. Gox saga is still not over; there are many lawsuit claims still pending.

It is important to note that, even though I didn't sell all my remaining Bitcoin at McDonald's, it's not like I would have actually kept it long term. In fact, I wouldn't have had it at all. Exchanges are vulnerable not just to hacks but also to insolvency and bankruptcy. But because all my Bitcoin was on Mt.

Gox, it would have disappeared anyway. So in reality, while it may seem pretty dumb to have sold 6 Bitcoin for \$1,700, given the timing it turned out to be the best decision.

But that didn't help me avoid the pit of regret in my stomach when Bitcoin hurled to the moon in 2017. I didn't think Bitcoin would ever get as popular and maintain the insane prices it did in 2017. In fact, in 2014 when Mt. Gox crashed, because of my lack of education and understanding of Bitcoin, I thought it was a failed experiment that wouldn't come back. But over 2015 and 2016 I watched Bitcoin periodically, and I couldn't believe when prices started rising again. I bought and sold a few here and there with my buddy Jim, but never a significant amount.

Over Thanksgiving of 2017, I watched the price of Bitcoin and altcoins completely rip. Though at that point I did have some exposure to the market, the pain of regret was almost too much to handle. I was living paycheck to paycheck and felt I'd missed my golden opportunity. It had been handed to me on a platter and I had fumbled it. Badly.

But I should have given myself a break. For one thing, as I mentioned, when I tried to learn about Bitcoin in 2012 there were no good resources. Whereas, in 2017 resources abounded. And 2017 saw the ushering in of the Crypto YouTuber/Influencers. I watched *Crypto Daily*, Doug Polk, *Data Dash*, *Crypto Crow*, *Crypto Love*, *Crypto Beadles*, Ian Balina, *Ivan on Tech*, and many more, and learned from all of them. I was inspired by their dedication. Seeing how much fun they were having and how much money they were making, I decided I'd like to join in.

The original idea for my channel *BitBoy Crypto* was to follow the antics of a crypto superhero named BitBoy and his loyal sidekick turtle, Hodl; it was actually called *BitBoy and Hodl*. I worked on characters, memes, animation, and more. However, starting a fun channel in January 2018 at the literal top of the market wasn't an idea that would last and give me the ROI on my time and money that I needed. Nobody was looking for fun in the bear market, so my initial attempts at the channel failed.

In March of 2018, my friend Justin Williams – who is now my VP of NFT Development (and who actually came up with the name BitBoy) – suggested that instead of animation I should start covering crypto news. He told me I had an entertaining personality and a knack for breaking down topics simply. After a couple weeks of his prodding, I made my first crypto news video in March of 2018, and have made on average two to three videos per day ever since. Somewhere along the line, by putting in hard work, I became an expert in both crypto and content creation.

But it wasn't always easy. For a long time people didn't seem to be interested in my content – I wasn't getting views or subscribers – but I kept plugging away and working toward something bigger. Fast-forward to today and I have over 6 million total social media followers, over 300 million views on YouTube, and 1.5 million subscribers. For two years no one watched and

I kept going. Then in 2020 to 2021, I went from 10,000 subscribers to 1.45 million subscribers.

So as you can see, I started out with zero knowledge. The cliché “Rome wasn’t built in a day” has proven true in my career as a crypto YouTuber. To truly understand crypto you have to spend a lot of time researching it, watching videos, checking the temperature of crypto culture on Crypto Twitter, and more. You need to immerse yourself in it. You can’t possibly know everything in crypto, but you can start with basic concepts and niched areas. That will help you build a foundation.

But here is my promise to you if you read this book: you truly are going to “catch up” to crypto. This book was designed to walk you through the history of crypto so you have perspective on major events. The first section is going to answer a lot of the questions about the early days. Then we’re going to stop and enjoy the present for a while as we cover some of the popular narratives and niches relevant to crypto right now. Then we’re going to gaze off into the future and project where this all goes. This book will also teach you some basic principles of investing, but this is not an investing book at heart. It’s a book of understanding. You will gain incredibly valuable insight and perspective that will propel you further, faster, in any area of crypto you want to dig into.

So enjoy this book and make sure to share it with others interested in catching up to crypto themselves!