

"The guards in prison asked me what coin to buy" | CZ Interview

(0:00 - 5:54)

Yeah, it's good to see a lot of familiar faces. Yeah, thanks for being here. So CZ, honored to be here.

First question, how was your summer? That's actually much less work to do, so pretty relaxed. Well, today I want to get into Binance, I want to get into what's next for you, maybe a little crypto talk. But before that, just the elephant in the room, I want to learn about your experience.

By the way, I'm Austin of Altcoin Daily. CZ, your first interview back. What was your experience like in prison? It's not good.

It's less fun than now. So I think the whole experience is just very limiting in a lot of ways, right? So your freedom is taken away and you have nothing to do. So it gives you a lot of time to reflect.

I actually learned a lot of really important lessons. For example, when everything is taken away from you, what do you miss the most? What I found is actually the human connection that I miss the most. So I miss my kids, my family, my friends, my colleagues, and the community.

So there's a lot of other things I miss, but not nearly at the level of degree that I miss the people. So you miss the food, you miss the nice bed. But those things, they don't bother me that much.

So I think it helped me to refocus my priorities in life. Do you think it was a fair sentence? So that's a very subjective one. If you ask opinions from anybody, they all say different things, right? So I think, well, let me caveat with a couple of conditions.

So there's a plea agreement, which I agreed to. And in part of the plea agreement, I cannot say anything bad about the plea agreement. And I don't intend to.

I think, look, you enter into a deal, that's the deal. Separate from that, there's the sentencing, which I got four months for incarceration. And then there was the process of going through the prison experience.

So in terms of sentencing, the judge has a really tough job, right? So if you ask one side, they will say, you know, it's too lenient. If you ask the other, my side, it'd be too harsh. I don't care.

I don't think about it's fair or not. So I can give you a couple of data points for people to

benchmark. For this particular violation, which is a Banking Secrecy Act violation, we didn't register a financial company in the U.S. when we had U.S. users.

And we failed to implement an adequate anti-money laundering program. For this particular violation, no one ever went to jail for single lineage, which is my chart. So I'm the only one who went to jail for this in U.S. history.

And just two weeks ago, there was a TV bank that got fined for like \$1.8 billion. And when I was reading that, there were cases, I think you described that they were exactly taking money to facilitate transactions and no one was named. Just the company was fined \$1.8 billion.

But you know, fair or not, it doesn't matter that much. And then the judge also said a bunch of really nice things about me in court. So he said, look, he never seen that many support letters, seemed like a nice standing guy.

But then he said he did not have to follow precedent. That's when I knew things were not good. And so, but then when I got into prison, I found out actually four months is a really short sentence.

Everyone there, everyone else there is like five years, 10 years, 15 years, eight years, the only years, but nobody gets a few months of sentence. So from that perspective, I was pretty lucky. So I think in the judge's mind, he treated me very uniquely.

So again, it's a very subjective opinion. I try not to think about it. I think everyone here will have their own opinions.

But I just want to move on. I think it is what it is. I did the time, I addressed it.

I just took it head on. And now I can move on. Let's talk about finance.

Two final questions on this, though. Just a personal question I have. Do you make friends when you're in there? Or it's just Yes, so you pretty much have to make friends.

Otherwise, if you're, if you're alone, if you're in no community, then you get you're not enough. Well, I think so. No, no financial advice, guards to ask you for all quick picks.

Actually, I do have a couple of guards recognize me and then ask me like, what coin should I buy? I better not pick the wrong coin. No, I told them, look, I'm inside, I don't have any access to information, right? So there's no internet. All my information is through like some limited length messages my friends or family send me.

And we don't talk about crypto. So I did get a few guys asked, I did get a few guards asked me that. I didn't make a couple of friends who I still keep in touch with.

So, but no, everywhere you go. So to be honest, I think they're very nice people in

prison. So people are very chill.

I think, to be honest, I think a decent portion of them have no reason to be there. Right? So they were in there for the wrong reason. They're super nice guys.

They may have stepped in some area here or there, but some of them are for very minor violations. And they're there for a very long time. Many of them are there for like eight, 10 years for very minor offenses.

So some of them, for the ones that are supposed to be there, many of them are there for way too long. So, but no, in prison, they're very nice people. I didn't have any trouble from any of the inmates.

(5:54 - 6:22)

Some of the guards treated us a little bit harshly, but also didn't have any issues from any guards. So from that perspective, I was very lucky that there was no physical harm. I was never extorted.

Before I went in, my prison consultants, and that's the industry, prison consulting. In the US alone, there's 2 million people in prison. It's one of the highest per capita prison populations, right? So this is a burgeoning industry, it's growing.

(6:24 - 8:57)

When it's supposed to be shrinking, right? So, and the prison consultants, like, look, and right before I went, there was news reports of, I'm going to be the richest person ever to be in prison. So that only helped me from a safety perspective. I think the journalists don't care.

They just want a quick buck. But my prison consultants scared me, like saying, look, you don't deposit too much money on your account. Just deposit 50 bucks, right? And then when I go there, every other guy had like 200 bucks on their account.

I'm the poor guy. So overall, no issues. And I met a few friends who I still keep in touch with, and I'm trying to help a few of them to fight their case through legal means, hopefully to get them out earlier.

And some of the guys there, you know, one guy, I think Michael is probably somewhere, yeah, Michael's right there. So Michael Sandoz, he did 27 years in prison for moving some marijuana 40 years ago, but now marijuana is like legal. So, and then he also got a university degree while he was in prison.

He was six bucks. So there are guys who like, you know, really, really push. It's a very difficult environment to do that.

I get access to a computer for 15 minutes each time. And every 15 minutes I get kicked off. And then within that 15 minutes on that computer, there's no cut and paste.

There's no paste function. So whatever, if I write a paragraph and I move to one paragraph to the top of the other, I cut it out after we type everything. So the tools that in Michael Sandoz's days, they don't even have computers.

So, but there are a lot of people who are there buying books, reading, learning, getting degrees, etc. So, you know, there are a lot of really nice people there. CZ, my brother and I have been at this conference, Binance Blockchain Week for two days now.

The energy is electric. I'm going to talk about Binance. And the biggest question on everybody's mind is what is your relationship with Binance now? So, yeah, so I have stepped down from the CEO role.

I am not supposed to be involved in any day to day operations for the company. My shareholder rights, as far as I know, I'm not impacted. So I'm still, today I'm still a large shareholder of Binance.

I believe I can still request for information, etc. I just cannot make decisions or give orders. So, and the relationship is actually a pretty good one, given that now there's a bunch of other guys working really hard and I'm forced to retire.

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So when that first happened, the first month was a bit difficult. You know, it was emotional. It was difficult to detach.

It's a company that I put my heart and soul in and for seven years, etc. But I always thought, you know, the CEO should not be on the post for more than 10 years because the world changes, right? Now there's new AI. I didn't spend a lot of time learning about AI before.

I didn't have a lot of time just to look at, you know, even DeFi in a lot of detail. So now I actually have more time to look at all of those stuff. So I think it's good that looking back now, there's a lot of good stuff about being forced to step down.

(9:42 - 9:53)

See, if I stepped on myself, if I said, hey, look guys, I'm quitting, a bunch of you guys will be pissed off. And it's like, this guy ran out of stamina. And so now I'm forced to step down.

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And so I'm like, well, this is not my choice, but I'm actually now I have a lot of time. And

also, just looking back, right, I think I'm actually very, very fortunate for a number of reasons. I still have a little bit of strength left to deploy, to be able to do stuff.

So that's a strong handler. I think my reputation has changed, but I'm not trying to minimize those things. So I think that's a serious violation, is a serious offense.

But it's also validation that there's no fraud. There's no users lost money with us. So that's in some regards, like I believe if you ask anybody in the room that my reputation is still pretty strong.

(10:35 - 10:58)

And then on top of that, as I said, now I'm really lucky that I actually have a lot more time now. And I'm not super young. I'm not very young, but I'm also not super old.

So I still have energy to do more stuff. So very few people are in this fortunate position to be able to do these things that I can do now. I read a headline that there's a lifetime ban on managing any crypto exchange.

(10:59 - 11:57)

Is that true? And will you still be investing in crypto projects? Sure. So the first question is, based on the best of my knowledge, there's no word saying lifetime or ban. Those two words don't exist in my pre-agreement with the government.

What is in the agreement is I stepped down as CEO. I don't think there's any timelines for it. But you know, everything changes.

Agreements can be updated with new agreements. Even governments change. But I had no plan to go back to be the CEO.

I finally got away from that post. And I think the team's doing a good job. So I don't have any need to go back.

I don't have any wish to go back. So even today, if I was allowed to go back, I probably won't. And so I think the lifetime ban is just creative journalism, where they invented two words to make it more sensational.

Is it wrong? We're not sure. Is it right? Those words was not in the agreement. The agreement is public.

(11:58 - 13:38)

So it's a public agreement. So that's to the best of my knowledge. What was your second question? Will you still be investing in crypto? Oh, yeah, absolutely.

So right now, I'm really only doing two things. I'm working on Google Academy, and then

I'm doing investments. Right.

So and then on the investments, there's three subparts. There's blockchain, there's AI, and there's biotech. So very simple.

And those are three big areas. So I no longer want to lead any project myself. I don't think I have the energy to do that anymore.

And I'm not as hungry either. No, I'm not as hungry as I was seven years ago. So now I want to help other entrepreneurs to build their own companies.

So I can help them with funding, with advice, with coaching, mentoring if they want it, with access to other resources, connections, etc. So that's what I want to do. So I think I have a few mentors who I value really strongly.

And I would like to become a mentor myself for those who want to. I'm sure a lot of people in this room would love you as a mentor. I hope so.

I want to talk about Google Academy. I have plenty of questions. But before that, on Altcoin Daily, me and my brother, we speak to an audience of over 3 million across all social platforms.

And one of the number one questions we get is Outlook for crypto in 2025. Are you still just as bullish on crypto next year? Okay, I'll try not to give any financial advice. And also, history doesn't predict the future.

(13:38 - 14:40)

But I cannot predict the future. I can analyze the history. Historically, Bitcoin has gone through very clear four-year cycles.

So 2013 was a bull year. 2017 was a bull year. So actually, 2012 was a recovery year.

I think most people don't look back that far. And then 2013 was a bull year. 2016 was a recovery year.

2014 and 2015 were tough. 2016 was a recovery year. And then 2017 went all the way over.

And then 2020 was a recovery year. And then 2021 was a bull year. And this year, now we're kind of back to the previous all-time highs.

So 2024 is a recovery year based on the current analysis or based on the current prices. Next year, I don't know what's going to happen. But overall, the long term for the industry, I think there's so much more that has to be built, that needs to be built, and that will be built.

(14:41 - 14:48)

So I think the industry will get bigger. More and more people will use crypto. And with more people use crypto, the utility value will increase.

(14:49 - 16:18)

So long term, I'm still very, very bullish. Short term, it's very hard to predict. What aspects, in a couple of sentences, what aspects of crypto are you most bullish on? Is it Deci? Is it meme coins? Well, actually, I wouldn't go that specific, because it's very difficult to predict that specifically, which one's going to be the next one.

Beginning of 2017, I probably could not have said ICOs is the next thing. But by June, the trend was clear. By July, we launched a platform.

By December, we have the largest platform. I think it depends on which projects explode in those small sectors. I think all of those have potential to grow.

Right now, I'm meeting a lot of founders. This morning, I met founders who are using AI with a very interesting integration with blockchain. Ideas I never thought about.

So if any one of those projects take off, that sector will become big. So it's very hard to predict. But I'm just trying to support all the builders in the space and then see what happens.

Let's talk about legislation. I want to pick your brain. How do you see legislation today? And also, where's it going as a guy in the space? Well, I think currently today, the legislation regulations are improving.

(16:19 - 16:29)

And in some countries like here, they're improving fast. In other countries, many of them are, especially in bigger countries, they tend to move slower. Bigger countries do move slower.

(16:29 - 17:18)

They have more departments, more people to discuss, etc. But overall, I think it's actually moving in a very positive direction. I'll give you another example.

Just personal things. A week before I was sentenced, in the middle of April this year, Elizabeth Warren declared a war on crypto. This is like a week before my sentencing.

And then the judge sentences me, and then I went to prison. And then by June, Donald Trump is pro-crypto. By the end of June, both parties are pro-crypto.

I'm still sitting in prison. I'm like, what the hell happened? So should I be just waiting for

two months? But that basically shows that the people want crypto. When the people want crypto, then the government has to respond.

(17:19 - 17:50)

So I think it's moving in the right direction. I live in the US, that's my POV, and crypto is very much an election issue. In your opinion, Harris or Trump, who do you think is better for crypto? Oh, I have no idea.

I will not comment on any election topics because right now, I got enough trouble with the US laws. I know they have an election interference law, so anything I say publicly could be taken out of context. So I don't want to touch it.

(17:50 - 18:28)

Now, I don't even want to get close to the line. I don't even want to see the line. So I just want to stay as far away as possible.

So no comments. I think both parties are pro-crypto. That's fantastic.

I love it. I respect it. And I love it.

Yeah, give it up. As we look to legislation and regulation in the future, again, I have a US point of view. What's one policy or one piece of legislation that you think is super important? Well, I think the most fundamental one is actually just classification of crypto, right? So now there's so many debates about, well, in most other countries, they just treat it as money.

(18:28 - 19:18)

Japan recognized Bitcoin as a currency. Many other countries recognize Bitcoin as a crypto as a currency. But of course, there are different types of cryptos.

It depends on coin, I guess. But I think in the US, that's kind of a large debate right now. And again, I won't comment too much.

There are ongoing losses with SEC, etc. CZ, final questions as we wrap up. I want to talk about Bitcoin.

And of course, I want to know about Giga Academy. But let's just say one year from now, you and I are at Binance Blockchain Week 2025. We're on this stage, doesn't have to be about price.

But where will Bitcoin be? Slash crypto? A year from now, a one year is really hard to predict. But I think there's a high chance that, you know, the future follows the history. So then we will be in a pretty good place.