

NBA All-Star Technology Summit

Friday, February 17, 2023
Salt Lake City, Utah, USA

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WEB3 IN 2023: WHAT THE PUSH FOR A
DECENTRALIZED INTERNET MEANS FOR THE
FUTURE OF SPORTS AND SOCIETY

(Applause.)

AHMAD RASHAD: It's getting better.

BILL MURRAY: The crowd is getting better because we've
gotten rid of some of the dead wood. That's great. Only
the special people are here now.

And speaking of special people, this is my favorite chat of
all of them. This is Web3 in 2023. And the reason it's so
special is because of our very special moderator, the man
who would be king, gosh darn it, he already is king, John
King of CNN. Let's hear it for him.

(Applause.)



BILL MURRAY: Take it, Johnny. Take it away, John.

JOHN KING: Oh, I was waiting for Ahmad. Ahmad, I'm
just taking -- you're just --

BILL MURRAY: Take it away, Ahmad.

AHMAD RASHAD: It says the next conversation will be on
Web3, which is Bill's favorite web. He could go on for days
about it. Tell them about it. No, don't, don't --

JOHN KING: Those of you have been here a long time,
Ahmad used to work hard at these things. And now he's
got Bill. I think that's his secret. Thank you, gentlemen.

Good morning, everybody. How we doing?

(Applause.)

JOHN KING: I hope you know that we can't see you
because of the bright lights, but we know you're there.

First, let me thank Ahmad and Bill and Adam and the NBA
family. This has been -- I think this is 21 or 22 for me in the
Tech Summit world. It's just great. It's great to see familiar
faces and to see so many new faces.

And I'm really interested to be in this seat today because
I'm going to learn a lot from this great panel about this
cutting-edge question for our society. So let's get going.

I don't need to tell you this, but I'll read what they put in
front of me here. Opinions sharply divided on Web3 and
what it should be and where it will go. Some say it is,
without a doubt, our future, transforming the way we play,
we shop, we learn, and we live. Others say it's a fad.
Virtual spaces will never, they say, offer true real-world
value.

So this great group is going to discuss that, all the
innovation that is happening by the hour before us, future
technologies, and including, a good part of the
conversation, what it can, should, and will mean for sports
fans.

ASAP sports . . . when all is said, we're done.®

So let's meet today's panelists. To my far right, Baron promised to make it spicy in here. Baron Davis, two-time NBA All-Star, entrepreneur, and investor. And a great teammate. He brought everybody on the panel water.

(Applause.)

JOHN KING: Nicolas Julia is the co-founder, chief executive officer of Sorare. Nicolas came all the way from Paris today. He says he loves Salt Lake. He's going to come back and ski. I got him to promise that for the locals here. Nicolas, thank you for being here.

(Applause.)

JOHN KING: To my right, those of you who don't know, because I've lived in Washington for so long, I'm from Dorchester, Massachusetts, so I bleed green, Steve Pagliuca is with us today, co-owner, managing general partner of the leading-the-NBA Boston Celtics -- that's not on the card; I just thought I'd throw that in there -- at the moment.

(Applause.)

JOHN KING: He's also, of course, a senior advisor at Bain Capital, co-owner, co-chairman of Atalanta B.C. -- did I get that close to right?

STEVE PAGLIUCA: Atalanta.

JOHN KING: Okay, thank you so much.

To my immediate left is Roham Gharegozlou, the chief executive officer of Dapper Labs. Roham, thank you for being here.

(Applause.)

JOHN KING: Next is a former colleague of mine at CNN who has moved on to a better life, right? A more fun life? A more interesting life. Campbell Brown is vice president of global media partnerships at Meta. It is great to see you again, Campbell. We came in yesterday.

And to Campbell's left, John Hanke, chief executive officer of Niantic. I was telling John, my youngest is here. My oldest is 29. He is here. My youngest is 11. And we were walking around the city yesterday with NBA All-World, walking around, and you're on to something there. He loves it.

And to my far left -- could I ever say that in Washington, Will? Yeah, actually. You know, now that you know my

real politics.

To my far left is the former congressman from Texas, Will Hurd. He's now managing director at Allen & Company, LLC, and a board member at OpenAI. Has a lot of thoughtful things to say on this subject.

So let's get started. And this morning, Baron, to you, I actually logged on to check on the latest on Luk.AI to see if -- I was going to ask it the question, how's the Kyrie thing going? But it's not ready yet. It said check back in a little bit.

But let's talk about artificial intelligence. And as you look at this as a player, as a fan, as a businessman, where do you see Web3 and AI as the greatest opportunity in sports.

BARON DAVIS: I would say, looking at Web3, I mean, we're all big corporate, team owners, players. You think about, you know, Web3 as really a transactional tool, right? The technology behind it, the blockchain, the NFTs, all those are really -- it's really just technology.

So if you think about what we're doing now, everybody's playing with their phone, probably on their phone now, that's the same screen. It's just a different type of code base, a different destination.

So from that, from that destination, going forward, you think about tickets, you think about what does -- you know, you went to the game, you buy a ticket, you get the picture of the player. Right? That ticket wasn't valuable unless you were a collector. Now you start thinking about the data, the DNA of your fan, of your player.

The access to Web3 gives you an opportunity to really be able to understand, find, search, all in, you know, one wallet, one ecosystem.

And so if I'm a collector of Boston Celtics players, right, I'm going to buy every ticket, I'm going to buy the NFTs, but I could win a seat on the floor by my participation.

So I think when we think of direct-to-consumer, direct-to-fan relationship, I think Web3 is going to be, you know, the found- -- the technology behind it is going to be the foundational tool that creates the transaction.

JOHN KING: And so, Steve, come in on that point, from the inside-the-arena perspective, all right? Just how do you enhance the fan experience during the game, during the game, with the use of AI?

STEVE PAGLIUCA: Well, there's lots of ways. During the game, before the game, you know, after the game. I think

Baron makes the great comment that this has kind of changed everything.

You know, when we got the Celtics, I think basically we didn't even have phone numbers of the customers. We started to collect emails maybe back then, a few years later. But now it's all changed. You have incredible ability to process data, learn about your customers, learn what they want.

So in arena, for example, we have cameras in the top of the Garden. We can track every player movement. And if you're interested in a certain player, if you want to see what Jayson Tatum did that game, you get a personalized message, for example, on Jayson Tatum and how far he ran or how many jump shots he made. So personalization, Web3 allows for that.

Also, crowd flow, for good and for bad. Someday people will just walk in arenas with facial recognition. Now, there's been some controversy about that at times.

JOHN KING: Little bit.

(Laughter.)

STEVE PAGLIUCA: But that makes it a lot easier to go to the game if you just walk in.

Next is you can add incredible amounts of services, like Baron was talking about. Not only do you save your ticket, you have the opportunity to meet a player if you win a lottery. So it just makes for more engagement and more fun going to the games.

You've been in Boston. If you went to a game in Boston, which I did in like 1981, you watch the game, the quarter comes, dead silence. You hear a little buzz in the Garden, dead silence, and people were writing notes or whatever.

Now you fast-forward to when we bought them, there's dancers and music and everything else. So now you're going to fast-forward to Web3 where you have all these capabilities at your fingertips.

JOHN KING: I used to sneak into the old Garden to sell newspapers. We got paid actually. Didn't have to sneak. Sell newspapers in the old Garden. Every time I walk in a men's room, I'm reminded of the old Garden. That never leaves you. Never ever leaves you. But it was a great experience

Campbell, so some of this is obvious, but take us behind the curtain a little bit. It's obviously a great growth opportunity, and it's a new way to employ and use new

technology for the engagement of your -- I'll kind of call it a fan base. Right? So why? How and why does Meta think lean into AI as aggressively as you can?

CAMPBELL BROWN: So for us, AI is really the foundation of our discovery engine. You know, our apps -- Facebook, Instagram -- for the longest time we're focused on connecting you with friends and family or with pages that you follow.

And there's been a big shift now. We're now increasingly focused on showing you things that you're interested in or that are relevant to you.

And this is a new muscle for us because we've been focused on a social graph, and now we're moving to an interest graph. And it's really -- It's Gen Z that is now expecting us to feed up for them things that are interesting and relevant to them.

And so, for example, if you know you're scrolling through NBA highlights, you expect the next thing you see to be a LeBron dunk and not, you know, your friends having dinner at a new sushi restaurant.

And we have to work, as we develop this, really closely with our product teams to come up with hypothesis about what we think people want to see and when they want to see it, test those, and then work really closely with our partners like the NBA to make sure we have the content and it's ready to go as we as we get better and better at this.

And with time we will, but it is -- for us, it's been a real shift that I think a lot of people are experiencing with this younger generation.

JOHN KING: I should have said this to everybody at the beginning, too, I was just too busy with Bill and Ahmad, please jump in. I have a plan here I'm going to wander through, but if anybody says anything, you want to jump in, there are no rules to this conversation. Please, just jump in.

But, John Hanke, to that point, I mentioned my son yesterday. It's novel as a parent to see the things that interest your kids and then have the questions they ask about, not just the fun, but then the questions they ask about it, which is their brain kicking in.

And so you can use a sport or game, or something like that, that, you know, it's fun, which is great, all kids need them, but then where are they going with it, right? What are they learning from at the same time?

So how do you use AI and machine learning when you're developing things like NBA All-World or Pokémon Go?

JOHN HANKE: Yeah, I mean, for me, the most exciting thing going on right now is this merging of the digital world and the physical world. It used to kind of be two separate things, like you would have a screen, computer, video game, and that was one world, and then there was the outside world that was a completely separate thing.

And what we're seeing with mixed reality and AR is that you can put digital objects out in the physical world and make them real.

I mean, I almost fell out of my chair when Adam showed the app this morning with the player replacement, you know, which is kind of AR. But you can take these bits and, using computer vision and artificial intelligence, understand where you are in the world.

And you can put, convincingly, a Pokémon or, with NBA All-World, a pair of digital Adidas shoes, you know, in the mall down the street and make it feel as if it's a real thing that really exists there.

So when you can blend digital and physical, I think it just opens up all kinds of experiences on streaming, in arenas, taking something like the NBA and taking it out into the city or out into the world. And AI is a critical enabler of that.

Of course, there's a whole bunch more coming with these large language models and ChatGPT and intelligent agents, like Luk.AI. I think for gaming, like there's just going to be this huge wave that is kind of already building.

JOHN KING: But that's been the joy for me the last two decades. You're here, and people -- oftentimes we're talking about things in their infancy, and then in five years and ten years we're back in these conversations and something new is being born, like this. And then all this stuff that was born back then has either been refined or some of it has been shoved aside because it's not as useful anymore.

So, Congressman Hurd, on that point, you're a former congressman, so you have -- you understand how the political system works and the views of the political system toward these questions right now. And a lot of things, there are some legitimate questions, and then there are other things that get conflated.

And you've been a long-term student of AI. So just walk us through -- we'll get into deeper detail as we go through the conversation -- what you see as the biggest possibilities right now and also the biggest risks.

WILL HURD: So the biggest possibilities -- and by the way, John, you left out in my bio I'm a big Spurs fan. So Go, Spurs, Go. So you left that piece out.

The big opportunity is the ability to uplift humanity. That's ultimately the goal of OpenAI. We're trying to get to artificial general intelligence which means an algorithm that's smarter than people on most economically productive work.

Now, that's also scary because it's going to displace jobs, it's going to have an impact on our society. But every technology in the past has done that. So how are we preparing for the future?

The technological change we're going to see in the next 43 years is going to make the last 43 years look like we were monkeys playing in the dirt with sticks. Right? Like this is -- it's booming.

But we need elected officials that understand some of these technologies and tools, how it's going to have impact on people. We need -- I also think that in some cases regulation can actually move the tools in the right way.

Let's look at something like the metaverse. If you were to say, hey, you have to have interconnectivity from all these tools and use a model more like what we saw with Windows, where anybody can build on top of Windows, versus walled gardens that we're seeing when it comes to cell phone use and some apps can't be in certain cell phones.

If that was prevented, would we see a growth in that if I go from Meta, I should be able to pay a tax to go to Decentraland or something like that and be in access.

And then the last piece is access. We've talked about the digital divide. Access to infrastructure. Access to tools. Access to the knowledge to use those tools and that infrastructure. And if we're going to evolve to a place where you have a tool like ChatGPT that requires a significant amount of power and resources, are we going to be able to make sure those kids in Far West, Texas, right, are able to have access to this in order to do their job.

So these are the issues we have to be ready for. And we also need to be training our kids for jobs that don't exist today. And some of the debates that we're having now I think in places like Washington and capitals are a little narrow, right, versus trying to talk about these things.

JOHN KING: That was a very polite way to put it, very narrow. Very narrow. I want to come back to that for some

personal advice for what I do for a living, but also just for the climate on how do you get people, goodwill people in a room to have a conversation where they learn from each other and then think, okay, what do we want to do? Maybe set our ideologies aside or set our past knowledge base aside.

But let's get some real-world perspective from Roham and then Nicolas. So you're in this innovative possibilities phase in your business. At a time -- and, again, some of these things aren't related, but life is not fair sometimes, after a year of, you know, the crypto world taking some tough hits, credibility questions, there's a regulation question to that.

How do you build and grow your business, both from a technological innovation standpoint and the consumer trust standpoint in this environment where there might be a little bit more scrutiny or a little bit more doubt?

ROHAM GHAREGOZLOU: That's a great question. And just a quick comment on the regulation point. Bad regulation is bad for everybody.

And to the point of, you know, what's been happening in the crypto space, FTX, et cetera, when you have bad or unclear regulation, that means the bad guys move offshore and end up doing the bad things anyway and the good guys are held back from being able to compete in a fair way because there's either too many barriers or there's lack of clarity, which means basically lawyers tell you not to do anything.

So our company, I mean, from the very beginning, we've sort of stood for, hey, Web3, or crypto as it was called, as it was talked about back then, is really a tool for -- it's an application platform that lets people build new kinds of products and services. It's not a speculation engine that's just for sort of trading things and making money and not having any lasting value created.

In a lot of ways, we, from a company standpoint, are better off than most people, but, from a community, from a category standpoint, have to change the conversation away from sort of what dominated the headlines in the last couple of years and more towards what this technology can do for real people, which is give them a stake in the communities that they're a part of, help empower creators to be able to take the majority of the benefits from their creations, help redistribute the value that's created in digital worlds back towards the people that created it, rather than the platforms that control it because, in a sense, everything in Web3 is controlled by the people, or by nobody, but is accessible by everybody.

And so when regulators also understand that, then they'll realize that Web3, decentralization, blockchain, it's kind of their best friend because it means ultimate transparency, it means ultimate auditability and openness and accessibility.

JOHN KING: And, Nicolas, just jump in on that point. Lessons learned from the last year of the scrutiny and the mistakes of some in terms of how you try to build your business and navigate that.

NICOLAS JULIA: Yeah, I think the first point is we've always considered the Web3 as a technology, not as a space. And I think it's a big mistake that sometimes we are doing when thinking about that. It's a technology and the use cases are as good as the companies that are building on top and the usage, right, and the needs that they are fulfilling.

And I think -- and so we need to also decide what Web3, what matters, right, because people put lots of different things behind that. And I think it's the biggest platform shift since the Internet because it's bringing to the citizens the power to own their digital lives, right?

So our data, our digital lives have been controlled, owned by big platforms since lots of years. And now we have the possibility to own that, right. So to own your money, so that's cryptocurrencies, to own your in-game items when we are speaking about in our cases. And so that makes all the difference to be able to own that right.

So if we take the example of gaming, 100 billion of dollars are spent every year in in-game items. Right? What do people get? Nothing. They don't own it. Right? They don't own the in-game items because they can't actually sell them, they cannot take them outside of the game, they cannot -- basically they cannot do what they would do in the physical world when you own something.

And there is a big switch that is going on. And so for us (indiscernible) to get back to your point, is keep on executing for the users, for the gamers, for the value that we are delivering for them, as opposed to like being driven by the up and down of the markets. And that makes all the difference, I think.

JOHN KING: Steve, you were telling me, I was going to say joking, I don't think you were joking, as we were sitting down, the reason you were part of this panel this year is because last year you talked about in your view the need for regulation, and then we've had the experience of the last year.

So where's the sweet spot? You hear it here, no entrepreneur, no innovator wants to be overregulated, but,

obviously, what you could tell from -- then Congressman Hurd could say this, is both parties in Washington, will they agree on how? Mark me down to skeptical. They can't agree on what day it is.

But where do you see the sweet spot or at least where the conversation about regulation has to begin?

WILL HURD: Well, I think you have to put this in two buckets. One is the technology. As Nicolas said, this is about technology. If you go back, Web1 was you go to a site and you read something. It's like a bulletin board. Web2, you can now communicate. You can buy things. You can go back and forth. You can have chats. And Web3 is kind of rewrite and own, and that ownership perspective, you know, creates more risk.

You throw on top of it we've had a speculative bubble just in general in the economy. And this reminds me, last year reminded me, of 1999 when we were doing deals. We'd (indiscernible) come in and say I've got an Internet business, it's going to cure cancer, it's going to distribute drugs.

There were thousands of them. And they said you have 15 minutes to decide. The valuation is 10 million. You have 15 minutes to decide you want to put 2 million in.

Now, we did zero of those at Bain Capital in those years, but there were thousands of those done, and everyone thought they would have the next Google, but probably 90 percent of them failed. That's what happened here in the crypto markets.

So you have to separate out the technology from the business practices. And actually I don't think it's rocket science because the businesses that have the issues were really brokerage firms.

And so the CFTC or the SEC have rights right now to regulate them. And they didn't step in. Why didn't they step in? Because there's arguments politically about stopping technology. It wouldn't stop technology if you regulate a brokerage business. Brokerage businesses have to have capital adequacy. They have to have audits. They have to have controls.

The FTX thing was just a massive fraud right up there with Elizabeth Holmes and Madoff where there was zero kind of accountability, auditing, basic thing, capital adequacy.

So I'd step back and say this isn't rocket science. If it's a brokerage firm, regulate it like a brokerage firm. And they should have stepped in and done that. And hopefully they learned that. But don't regulate the technology because

we don't even know what's going to come out of technology.

Basically, this changes everything. I'm a bull for the future of technology because if you can read, write, and own, that gives people control of their own destiny. It gives artists -- direct middlemen, it's going to cut out all the middlemen in the system and be more efficient and good for everybody.

So point one, regulators step in. If it's a brokerage firm, regulate like a brokerage firm. Point two, don't regulate the technology itself, regulate the actors who are using the technology and try to think about bad ways to do it.

There were several fake cryptocurrencies created. Somebody should have looked into that. That was pretty apparent. There were very legitimate ones. But look at the actors, look at the businesses, not the technology.

JOHN KING: So, Congressman, that sounds pretty commonsense. That sounds like if you put a bunch of smart people in a room, you could figure this part out. So why isn't it happening?

WILL HURD: The reason it's not happening is pretty simple; that people aren't voting based on these issues. Right? And we don't have enough people voting in primaries. Only 24 percent of the country voted in primaries. And most people don't follow politics like they follow sports.

And so we need to make sure -- look, nobody in this crowd, and we can't see anybody, nobody in this crowd has ever clicked on an article that said Congress worked. All right? They've clicked on the latest saying on whatever the latest nut is doing in Washington, D.C., to see what that really is, right?

So we need to make sure we're modeling the behavior that we ultimately want to see. But we also need elected officials that understand some of the basics. Why is Web3 interesting? It's the decentralization of the system. It's the permit-less exchanges that could be potentially happening.

AI is allowing for that level of decentralization. Oh, and ultimately, at the end of the day, guess what? Everything I do, it's mine. And I should be able to determine how I do that. I should be able to determine that inside each one of y'all's apps. I should be able to determine how it's used outside of that app.

And so if we agree on that, like then that means the things that are being developed have to be developed with those systems in mind. Oh, and by the way, these things need to be reliable. Right?

And so when you talk about decentralization, and nobody's in charge, is it going to exist when there's a major crisis? We know that our lights are going to turn on. You know, we know what are the examples when they won't turn on, but those entities are regulated in order to make sure that there's a level of reliability.

And that's one of the concerns that I have broadly about this when you have this lack of infrastructure and nobody in control. And so how -- what does that make, right?

But ultimately, at the end of the day, what we need to figure out here in the United States is that Europe is going to be 18 to 24 months ahead of us on these regulations. All the great companies, aside from some of these on the panel, especially in France, are based here in the United States.

And so are we going to allow other people to decide what some of these regulations are because these great American companies are living in an international environment. So we need to step up and, hey, we need to get people that understand this stuff, right. And that's not the easiest thing to do because, having served there, I can say there's a handful.

CAMPBELL BROWN: Can I --

JOHN KING: Please, jump in.

CAMPBELL BROWN: I mean, just -- and maybe it'll surprise people to hear me say this from Meta, but having been through a lot of this over the last six years related to integrity on our platform, coming out of the last election, lots of lessons have been learned. And as we think about the metaverse and Web3, I wouldn't say we're opposed to regulation.

I would say we are very much in favor of the right regulation because we don't want to repeat the same mistakes that we've made in the past. And we're going to be dealing with privacy issues, safety issues.

And if we don't figure out how to solve those together with policymakers, with companies working in tandem, because it's not like one of us is going to own the metaverse or, you know, one of us is going to own Web3. It has to be a real collaborative effort.

And I think the big frustration for a lot of us has been the lack of knowledge in Washington, the inability to have real in-depth conversations with policymakers about what we need to do.

JOHN KING: So, John, give the real-world experience and the day-to-day experience. Where are there places where maybe regulation gets in the way of innovation, and where maybe is there something that this one works or you could do this better that would help you?

JOHN HANKE: I think this idea of decentralized ownership, as Will referenced, is really important. As we think about these digital objects becoming real, people want to own them and not have that be through a custodian of a big tech company, even a great one like Meta. Still probably feels better if the consumer can really own it themselves. And the promise of W3 technologies is really that.

I think, clearly, some ground rules there that would allow a company like mine to know that we can deploy those technologies and not get in trouble with the SEC if somebody sells one of those objects to somebody else.

And it's very confusing right now, and it's a real inhibition to a company like ours, you know, even working with a company like Roham's, you know, it's one of the things we have asked ourselves is what is -- what sort of regulatory risks are we getting into.

So there's a great benefit to clarity. But at the same time I also support -- you know, in AI, I'm glad that these companies have been able to innovate and bring some of this amazing technology out for us to experience. I think that's a great thing about America and American-style capitalism, is that these companies can invest and innovate, innovate and move the whole world forward. So we've got to have a balance, like in all things.

ROHAM GHAREGOZLOU: I mean, one comment I'll make is just the importance that you mentioned, having a conversation with regulators. We're actually a Canadian company, and a part of the reason for that is we can have conversations with Canadian securities regulators.

We went in 2016-2017, explained the concept of smart contracts, NFTs and all that stuff to them, and got a little letter saying, hey, CryptoKitties are not securities, before we went live with CryptoKitties because even we didn't want to expose ourselves to that sort of risk.

But here, I mean, the SEC sort of operates not in that sort of open manner. And I think that's to the detriment of companies that are trying to do the right thing and just don't know exactly what that right thing is

JOHN KING: Right. And, Nicolas, jump in on that, just from the global perspective. It's going to be different, right, because of the different political systems and the different

knowledge levels, as Congressman Hurd politely put it.

And so what works and what doesn't, from your experience, especially when you're trying to take a product and make it global, but you have different rules in different places?

NICOLAS JULIA: Yeah, so Europe is a bit ahead in terms of regulation, as usual. So there's lots of (indiscernible) that is being made right now in France and in Europe in general to find the right framework for cryptocurrencies, but also for work for gaming. So, of course, we were involved in that conversation.

I think the first thing is -- like the first step that has been very important is for regulators to say that this is a new category, right? So it's different from video games, it's different like from like lots of products that exist right now.

And so the typology of risk is also different. And so a framework needs to be created to address that, right? But something that is new and not trying to put circles within triangles and put like categories and new products into existing frameworks.

So that has been the first step. On our side, it's important to engage with them and to be proactive, right? So this is what we have been doing in Europe. And also in the U.S., it's not easy task, as you said, to adjust your product for regulations that may be different, right?

But we'll see what's going to happen in the coming months in Europe. And, yeah, probably it's going to be the first framework for gaming, and then hopefully the one that may come in the U.S. would be not far from what's going to be defined out.

STEVE PAGLIUCA: But I think you have to separate out money, like Bitcoin, you know, new kind of money versus goods and services. They are two very different things, and they probably need two very different kinds of regulations.

They use the same technology. They're based on blockchain, Web3, but they're two totally different things. One is trying to create an alternate monetary system. Why was that created? Because people lost trust of governance in Argentina. If you had money, the inflation was so much your money was worthless. So Bitcoin kind of rose out of that. That's a system where there's limited supply, easy transferability.

And it's interesting if you think about what is the definition of money. It was seashells, you know, 6,000 years ago. It then became gold and silver. Then we went off the gold

standard, and then it became something backed by the government. But then governments spent too much money, couldn't pay it back, the money was worthless. So now they've invented Bitcoin.

So that's a whole different area enabled by that technology. You need a whole different kind of regulation for that. Are we going to allow digital money to exist? We allowed gold to exist. Gold does not have an intrinsic value of \$1,700. It only has the value because people believe it is money and it holds value.

That's why Bitcoin, Bitcoin has no intrinsic value either, but people believe it's a medium exchange and, in fact, it's better than the government because it's limited, and the government keeps issuing -- you know, countries like Argentina issued so much money that the money became worthless. So I think you need two different approaches for that.

And then with Meta, there's a free speech element involved as well. Where do you draw that line? And the other gray area is what's a token? Is a token money, or is a token something that'll allow you to play a game or be part of an ecosystem?

So it's a whole lot of complex issues. But I think first thing is you got to separate currency from goods and services.

WILL HURD: And, John, just quick on that. I can't pay my hotel bill with a gold brick, right? And so we have existing ways to organize and oversee these things. And, yes, the tactics, techniques, and procedures that we're using to execute may be different, but the end goal is the same, and so let's use some of those similar things.

You know, just like when Allen & Company first -- we first invested in OpenAI super long ago, it was like does AI have to follow the law, right? Yeah, it should. We have rules on discrimination already. Let's just make sure that these new things follow those existing laws that we have. There's not a special carveout, not something unique.

And then all the -- everybody who's in this space, because of a lack of government oversight, guess what? Y'all are all public policy people now, right? And you're having to think about the public policy impact of the tool, of the things that you're building and how it's going to help society and ultimately uplift society, not have an impact on it.

BARON DAVIS: John, I think the issue is, one, everybody has their own chain, right? So like how can you create any type of centralized banking, any type of rewards? How do you value a token, right, when everybody in this space are jockeying for position, right?

Roham said creators can come create on their platform, but you're bottlenecking the system, right? So how are you building interoperability? How are you building a space where I should be able to use my Top Shot to get into the All-Star Weekend Game. Or I should be able to use my Top Shot to go to All-World. Or a Sorare card and the Top Shot will give me a Ja Morant jersey.

But the fact of the matter is your chain is one place, his chain is over there, your chain is over there. So it's almost like a Wild, Wild West of science projects, right? So who is right? Nobody. Right? What technology is the best? No one's. Right? Because we're so early and there's no real opportunity to regulate something with everybody building in a silo.

So when we get to interoperability, which I think AI will be a central part of that, understanding what all these chains and how all these people operate and then what's the common goal, then I think we'll be able to get to a more cohesive ecosystem.

STEVE PAGLIUCA: But do you see a universal metaverse? Is that what you're talking about?

BARON DAVIS: Yeah, I would say like we're all here at NBA All-Star, right? The NBA has the ability to be a universal metaverse. Right? But why is Top Shot here, Sorare here, Niantic over here? And then everybody else who's trying to build NFTs and do stuff for the right purpose with the right heart, they may not get the money, right?

And so, you know, who's getting the money? Who's marketing it? And then what is the technology that the NBA is using, right? Or what are we all using as owners, corporate, you know, corporate CEOs, and then also the fans?

So there's not -- there's nothing that allows us to swipe through wallets, right, and collect different things. And until that happens, we won't have this, you know, we won't have this universal metaverse, but we could have it here with the NBA.

JOHN KING: So we have about five minutes left. So let's deal with this, because that's always the great part of these conversations, is we're having a conversation today about what we know today. We might come back next year or three years from now and laugh at ourselves, just because things change. Everyone is speaking from the best of their knowledge base.

When Baron talks about that, is that possible, based on at least what we know now, to have a universal space where

you can still have your -- you can make money, Meta can make money, everybody can do their business and make money, but there's some interconnectivity so that he can take his Top Shot and get it over to your All-World? Is that possible? Or is it because of the capitalist drive or regulatory issues or competition that that just becomes a cluster?

WILL HURD: Absolutely it's possible. Ethernet and token ring, right? There was a debate around that, how are you going to connect? Industry came down to Ethernet. Why is a 80-inch TV screen not \$2 million, right? And how do we know that all of our things are going to be able to interconnect to it, right?

So, yeah, we already have those models, so we can absolutely do that. And, Baron, that idea, if you develop it, I may know some people that may be interested in investing in that. FYI.

ROHAM GHAREGOZLOU: It is a very valid point because we are in that Ethernet token ring or, you know, CompuServe, AOL, sort of different worlds that aren't fully intercompatible with each other.

But the good thing is this technology was built to be open and intercompatible, it's just the piping has to get built by entrepreneurs. And it's risky because there's value and money moving over all the piping. And so there have been -- there are bridges. They're kind of janky, they're sort of -- but they get leveled up over time.

And I think when I started the company in 2017-2018, we looked at the world and we said, wow, it's going to take half a decade to get this stuff to the right state. Now we're looking and we're saying all the piping exists, all the pieces exist. People now need to sort of build the right bridges and put things together and make the user experience seamless for the customer, which is where kind of good user experience, design, AI, et cetera, facilitates.

But I think Baron is 100 percent correct, and I think the brands and content owners can be one of that driving forces and say, well, look, I know my fan is everywhere, but I want them to be able to have a cohesive, coherent experience, and so we want to insist on all of our technology partners using sort of an intercompatible layer.

And I would say this can also push a lot of Web2 companies to also interface with Web3 because it puts the power in the brands' hands, lets the brand follow their fan across all of the different touch points and be able to tie things together.

And, in fact, some of that kind of composability that you

 . . . when all is said, we're done.®

mentioned is very much the sort of driving force for us in the Dapper sports business, which is looking at, hey, Ticketmaster is already dropping ticket stub NFTs to their fans who go to NBA games and NFL games. How can we bring that together with the collecting experience, give fans a personalized fan experience. We have All-Star Game tickets, actually. There's a group of --

BARON DAVIS: You got a partner with the NBA. Of course you should.

ROHAM GHAREGOZLOU: What's that? We do partner, but they -- for five years they provided VIP benefits to every single All-Star Game. And I'm actually going to meet some of the folks that bought the first series today.

So all of that stuff is coming together. The tech exists. Now it's a question of getting the user experience in place.

NICOLAS JULIA: Yeah, and as you said, the tech exists. And so some of the issues that we had even like one, two years ago with scalability, I think, you know, we solved them.

On this interoperability topic, I think the users are going to vote, right? So there's different solutions right now. So you have the full ecosystem, the (indiscernible) ecosystem and so on.

And at the end of the day, developers are going to build projects where there's usage, right? And so, yes, interoperability, maybe, I think. There's some very smart people working on these bridges, but they're going to be built if there's usage on different (indiscernible).

So my take is that we're going to have different chains catering to different usages, probably chains for gaming and so on, chains for cryptocurrencies. And I think the difference is very important between money and goods. And, yes, bridges are going to come, but we are far from.

STEVE PAGLIUCA: Yeah, if you look at business history, what often happens in technology and software is people start out with walled gardens, because they want to gain share, they want to control, and there's legitimate reasons for that. Then when they get big enough, when there are adjacencies that make sense, you create interoperability.

And so in the long-term view, as those adjacencies get closer and closer and big companies say, okay, it's now in our interest to have Facebook linked with Snapchat, or whatever, so the user sees as a seamless basis, it'll happen naturally.

But it often takes a long period of time because of that

trade-off of your control of your walled garden versus an open system.

JOHN KING: All right. I'm getting told that Ahmad is ready to give me the hook, so I'm going to end the conversation by saying, hey, thank you to everybody for being here and sharing your thoughts. I learned a ton. And thank you all for being with us.

(Applause.)

AHMAD RASHAD: Did you already say that, John? Did he say about --

BILL MURRAY: No, not everybody knows this, but last year John King drove 15 hours in the snow to show up in Chicago to do this.

JOHN KING: Cleveland.

BILL MURRAY: This year he took -- and he was immediately taken backstage and inducted into the Tech Summit Hall of Fame. Hall of Fame member John King.

(Applause.)

AHMAD RASHAD: All right, it's -- hey, thank you, guys. Wonderful. Thank you. Give John another round of applause, because he -- first of all, he's one of my favorite people in the world.

(Applause.)

AHMAD RASHAD: No, a real one for the whole thing. Let's have a real applause.

(Applause.)

AHMAD RASHAD: Jiminy Christmas.

BILL MURRAY: Come on, everybody up. Everybody on your feet, please, for John King.

(Applause.)

AHMAD RASHAD: Hey, so I got a new Luka jacket that I've been wearing around everywhere. I think they have it up on the thing, and you guys can get one outside. There it is right there.

(Laughter.)

AHMAD RASHAD: It looked better when I put it on. But they have them right out there in the back. You have to -- there are QR codes in the hallway. And you guys go



ahead and take a break, and we'll see you when you come right back, all right? Get the right size. It fits better.

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