

EPISODE 1411

[INTRODUCTION]

Whitney Sewell:

The comments, the opinions expressed in the podcast are those of Ms. Cranley alone and are intended for educational purposes only.

[INTERVIEW]

Whitney Sewell:

I wanted to make sure Kristine that we had some time to talk through some of the risks associated. And so with cryptocurrencies and real estate, and maybe how we can mitigate some of these risks, you know, would you just help us to think through that a little bit? I mean, some risks in cryptocurrencies, in real estate, and anything else we haven't talked about? Cause I know that's some of the things the listeners thinking of right now is like, well, what are the risks?

Thinking about diversifying into some crypto or Bitcoin is, specifically, what does that look like in reference to risks in real estate?

Kristine Cranley:

Absolutely. First of all, always remember Bitcoin is a very volatile asset and the other cryptocurrencies are even more so volatile. So never put next month's rent money, especially when it's going up.

Kristine Cranley:

It's so tempting, you know? Well, I'm just gonna double my money in a couple of months, but it is an extremely volatile asset. And part of that is because there's not a lot of it being traded. So keep that in mind. And it's best to have a long-term perspective. If you're an expert trader more power to you, but I have lost so much more money than I've ever gained by trying to trade Bitcoin. So I prefer to just hold it and go in slowly and understand the projects and do it that way.

Kristine Cranley:

So, first of all, just always remember that there's always a risk. It could go to nothing. There's always a risk. Regulatory risks, so the U.S. has been very slow to clarify regulatory issues with cryptocurrencies, whether they're securities and what the process would be, if you want to issue them in a compliant manner. So we talked about that company-owned prop the other day, and they're working through the right channels to try and get the real estate investments available to retail. If you're thinking about a project like that, you better be going through the same channels too, because you can have the hammer laid down on you and what may end up happening. The SEC makes slap a fine on, I don't know what they'll do, but with all these exchanges that have been trading cryptocurrency, they can come in and say, well, you've been selling unregistered security. So there's a lot of timidity with the big investors, the commercial investors in the, especially the altcoin space, cuz they don't know what the regulations are gonna do. And again, understanding that there's a difference between Bitcoin and the other cryptocurrencies.

Kristine Cranley:

Also, similar to any real estate investment. You really need to do your due diligence on the project and the team members, because as we said, these cryptocurrencies that are not Bitcoin are controlled by teams. And so, they're gonna make or break it. And there could be the same kind of insider trading. There's a lot of people that really want the SEC to clarify with some of these projects and bring that same regulatory oversight just because you're really vulnerable to these people that run these products. They can pump and dump them very quickly. Let's say you had a building and you have tokens in it. And they see something coming down the pike, they could sell them all very quickly. So because it's so liquid. So doing your due diligence, there's also hacking concerns. Well, one, if you're gonna hold your keys yourself, it's good to do some research on the safest way to do that. You don't really want a computer that you've been surfing the internet on because malware can be put on it. And just some best practices there also with hacking concerns, Bitcoin's never been hacked and people have been trying for 12 years, but some of these smart contract platforms. We've seen just vulnerabilities, whether that be the platform itself or the decentralized apps that are on top of them. So just kind of learning about the projects and being aware of that.

Kristine Cranley:

Also, many hope it's very interesting. This idea of backing cryptocurrency with real-world assets. So there's talk of backing it with gold, with silver, with real estate, you could tokenize your car, you could tokenize your mortgage. So there's a hope that will help make it less volatile because of the asset that is backing it. But again, you're beholden to the team, right? Who really has that silver, who really has that gold who's controlling the investment? So those are some of the risks that I see, but you know, with these caveats in mind, I still think there's a lot to be excited about in the space, particularly as an investor, because everything is moving, I think poured blockchain. So we're moving away from centralization. What are the beautiful things about Bitcoin? They say it's trustless, right? You don't have to trust me. You can trust the protocol. You can trust the transaction is settled within 10 minutes at most, and there's the lightning network. It can settle instantly. And so, so you don't have to trust the used car salesman anymore. You can see on the blockchain that maybe the history of the car is tokenized. And so you see every accident that it's been in and you're gonna be able to go to a coffee shop and you're gonna be able to scan a QR code. And it's gonna tell you where those beans came from. So we're moving away toward this centralization where a lot of people hope for that. Away from the mediators away from the, in between people. You know, we're not there yet. And so there's a lot to be aware of, but it's also really exciting. And I think that you're doing your, your listener, such a huge service to be aware of the direction and paying attention to the different projects because I really do think that this is the future where we're going with blockchain.

Whitney Sewell:

Awesome. Well, and I'm grateful for you just laying out some of the risks. I just think there, when you don't know, you don't know, right. You don't even know the questions to ask. You don't know those things you just listed. I mean, like, you wouldn't know that unless you read it or you're talking to an expert like yourself and sometimes you know when there's fear, right? And I, us, as, as syndicators or operators, we know, Hey, when the investor has questions or fear, usually their answer is no to invest, right? You know, and same thing I think in this, you know, you gotta educate yourself to some degree and you are helping us to a great degree here. So a few final questions I wanted to ask you that I feel like maybe a

listener has as well. You mentioned like, and this may be really simple, but I wanna ask anyway, like stablecoin. Well, what's the opposite of a stablecoin. Is that something that's unstable? What does that mean?

Kristine Cranley:

So the idea of a stablecoin is that it's pegged to the US dollar or some other currency. And so if you are all in on Bitcoin and cryptocurrency, you may let's say take profits and put it in a stablecoin, like USDC would be one. And the idea is that would stay as a dollar, but it's in cryptocurrency land. And so if the market dips, you can rush in with your dry powder, stablecoins, buy that dip. And so kind of stay within the cryptocurrency world. There's different also if you are in another country and you want access to the value of the dollar, you can't get dollars. You could get stable coins that like USDT tether or USDC, where you basically have the value of a dollar. So there's different ways that they keep them stable. And so some of them have assets behind them, maybe treasury bills or what have you. There's been some questions with tether about what are the assets backing? So there's always a question there about what keeping it at a dollar.

Kristine Cranley:

There's another kind of stablecoin, which has not proven to be very stable and they're called algorithmic stablecoins. And they're usually associated with some other token that it's switching with to try and keep it algorithmically pegged at a dollar. And we saw the Terra Luna system absolutely collapsed recently. So it went from the value of a dollar to like point nothing. So that's the idea behind stable coins. However, there's a lot of discussion about them right now, because I think they're going to be the first target of the regulation because it's competing in many ways with the federal reserve, with the governments that want to issue the dollars. And so, the governments are moving toward and we're seeing this in China already is a central bank digital currency. And there's probably a good chance that they may try to push out the stablecoins in favor of their central bank digital currencies. And those are interesting, cuz they're built on the blockchain, but they're totally centralized so they could push their button and make more of them in China. They use 'em for surveillance, and you know, they can cut them in half. Let's say the value in half after a couple months if they want to increase velocity. And so there's a lot of discussion going on right now about central bank, digital currencies. They're kind of in the same realm as stablecoins. And there's a lot of conversation of trying to replace those with the central bank digital currencies for better or for worth.

Whitney Sewell:

Okay. No, I just know that there was, I'm sure there questions like stable. What does that mean versus why, right?. No, that's great. Thank you for that. And one other question I know, you know, as you mentioned this a little bit, but I wanted to clarify for the listener just about how to keep our Bitcoin safe, right? Okay. We invest in some, you know, do you recommend having your own wallet? Do you recommend and I know you mentioned a little bit, you know, it looks like a thumb drive and that keeps to what the code on there or the, what would you call it?

Kristine Cranley:

The private keys.

Whitney Sewell:

Yeah. The keys on there is that what you recommend or buy some through what Coinbase or, you know, some of these different platforms, right? Leave it there versus wallet versus, you know, how do we protect it?

Kristine Cranley:

There's danger everywhere, right? But there's always a danger leaving it on the exchanges. Because if those exchanges go bankrupt, you have no guarantee that you'll ever get your coins back. So most people do not like to leave them on the exchanges. I think it's a good idea to learn how to take possession of them, yourself, even if it's just some of them. You may wanna diversify, you may want, eventually, they're talking more and more about banks being able to hold them. Some people trust institutions more and they'd rather them take the risk. But I think that it's incumbent on everyone. It's a good idea to learn how to take them into your own possession. And I would recommend keeping the signature offline. So whether that be a cold card, hardware wallets, such as a ledger, or a treasure. There's a difference between hot wallets, which are connected to the internet. Likewise, mobile wallets are usually hot wallets and cold wallets. So I think it's worth it to learn about cold wallets. And it's also a good idea to have a computer that's just dedicated to cryptocurrency.

Kristine Cranley:

If you're going to really get involved in it, like if you're gonna making yourself your own bank, then you're probably gonna wanna really protect that money. And so that value, and so a computer that's never touched the internet before and there's companies. I know on my website, Noah's Bitcoin, people can go there and I have different products that, I mean, I have affiliate links to them, but you can kind of get an affiliate link to everything these days. And so I just pick the ones that I use and that I like. So that's a resource for people if they wanna go and look at some of the things that I like to use.

Whitney Sewell:

Yeah, no, that's helpful. Cause I just thought it would be, they're gonna invest, they should probably know about wallets and fold and hot, you know, what that means and, and how to keep 'em safe. And I always wonder too. Well, I put 'em on a wallet. Well now, but what if I lose that wallet, right?

Kristine Cranley:

Yeah. Or lose a password and you know. We talked about there's 19 million coins that are mined, but probably 4 to 5 million of them are lost forever because people had a whole bunch of 'em and they threw away the computer or they lost the password and there's no central authority to call up and say, can you help me get my coins back? So yeah, making sure you don't lose the password.

Whitney Sewell:

All right, Kristine. Well, you've been such a great help and just shared so much educational information helping us to think through Bitcoin and cryptocurrency and blockchain and all these things and how it's connected to real estate and maybe what to expect. And now mining and whoa, you know, it's a lot right to take in, but we gotta start somewhere and you're definitely helping us get on the right track. I have a few final questions for you. But I

wonder, you know, what are some of the most important metrics that you track and that could be personally or professionally. It could be how many times you get up on time to how many times you exercise or, you know, how Bitcoin's doing or anything.

Kristine Cranley:

Can you ask that question again? So like—

Whitney Sewell:

Sure. Anything you track that may be important to you? You know, that's helped you to be successful or disciplined or anything.

Kristine Cranley:

Like as a human being?

Whitney Sewell:

That's right. Any, it could be anything.

Kristine Cranley:

Absolutely. I have just kind of spent my life where I try to take the first hour of the day in quiet, in prayer. And so I find that just the silence, there's so many things coming at us and I find it's very easy to become addicted to news, right? And what's going on and how do I prepare what's going on with the market? I pay a lot of attention to the market and that kind of thing, but trying to take a step back at the beginning of the day in silence, connect in prayer with God, or, you know, whatever, whatever stabilizes you and try to learn to hear outside of the voices coming at me. So that's kind of like the foundation where I like to start.

Kristine Cranley:

And then I think that it's important to be paying attention to what's going on with the market and not just in the United States, but around the world. Because everybody is connected to the dollar, right? There's so much dollar-denominated debt. And so we raise interest rates. We lower interest rates. For us, it's like, oh my gosh, it's gonna be harder to get a house. But for other places in the world, you know, they may not be able to pay for the debt that they're laboring under. And it, you know, and it may cause shortages in other areas. So I do try to keep abreast of what's going on in the market and become involved politically, because if you're not paying attention, then we may end up in a country that we don't recognize anymore. Because while we were sleeping, it changed beyond recognition. I don't know if that answers your question.

Whitney Sewell:

No, that's helpful. That's good. Yeah. It could be anything. it's just whatever's important to you. And then how do you like to give back?

Kristine Cranley:

A number of different ways? Like first of all, listening, I think that it's a real gift to pay attention to someone. And it's a hard gift to give sometimes because there's so many things that we can be occupying our mind. But there's such a hunger for connection. And

so just kind of in a broad way to try and listen and hear, and also volunteer. I have a neighbor that I drive to service on Sunday and different things with my church that I'm involved in. And for me personally, also I think teaching, I just find information to be so valuable. And there's so many things that I wish that I had learned when I was younger. So I would say that's kind of like my life mission is to give away the good things that I've received from people through education.

Whitney Sewell:

Awesome. No, that's great. I mean, even today you've given back a lot. I love the response though about listening and paying attention to people. It's not done enough, right? And when you can give your time, right, your most valuable asset. Yeah. When you can give your time and just listen to someone, it can go such a long way. Kristine, pleasure to meet you and have you on the show. You've educated us in such a big way over the last few segments about Bitcoin and what that is, and Bitcoin mining and real estate and how all that's connected. Cannot thank you enough. I know the listeners have learned a lot. How can they get in touch with you and learn more about you and maybe reach out, ask more questions or what you're up to?

Kristine Cranley:

Absolutely. I'd love to chat with anyone. So there's two different ways. You can come to my website, noahsbitcoin.com. If you're just interested in learning about cryptocurrency and Bitcoin in general, I don't do financial advice there, but I will speak to groups. Sometimes I've had investor clubs have me in, or I also can do one on one, like helping people walk through how to get a wallet so you can reach me there. And I even have like free 15-minute consultation, so you can reach out to me there, email me in that way. Or if people are interested in some of the Bitcoin mining investments that we're doing, you can reach me at my work website, which is Kristine@pmsquaredfinancial.com, and happy to share with you, some of the stuff we're doing in the real estate in the IRA world with the IRAs or the Bitcoin mining for accredited investors. Love to hear from any of your listeners.

[END OF INTERVIEW]

[OUTRO]

Whitney Sewell:

Thank you for being a loyal listener of the real estate syndication show. Please subscribe and like the show share with your friends so we can help them as well. Don't forget. Go to thelifebridgecapital.com, where you can sign up and start investing in real estate today. Have a blessed day.

[END]