David vs. “Goliath”

Breaking down the matchup

The competitors — side by side

David

- ❌ Did NOT raise trillions of dollars from investors
- ❌ Did NOT build machines that solve logic puzzles
- ❌ Did NOT promise investors he they were investing in broadly-shared American prosperity

Wall St and Silicon Valley — America's "Best and Brightest"

- ✅ Raised trillions of dollars from investors
- ✅ Built machines that solve logic puzzles
- ✅ Promised investors they were investing in broadly-shared American prosperity

✅Built a logic puzzle to test the trillion-dollar investment thesis into the machines that solve logic puzzles

❌ Did NOT build a logic puzzle to test the trillion-dollar investment thesis into the machines that solve logic puzzles

Ideology to build a logic puzzle?

David

- Anti-technology? No ❌
- Anti-progress? No ❌
- Anti-capitalist? No ❌
- Anti-fraud? Yes! ✅✅✅✅

“I don’t think you should defraud your investors!” -David

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- Anti-technology? No ❌
- Anti-progress? No ❌
- Anti-capitalist? No ❌
- Anti-fraud? 🤷‍♀️🤷‍♀️🤷‍♀️🤷‍♀️

“We’re a Public Benefit Corporation committed to blah blah blah blah blah just shut up and give me your money” -Wall St and Silicon Valley

❌ Did NOT build a logic puzzle to test the trillion-dollar investment thesis into the machines that solve logic puzzles

Time to build a logic puzzle?

David

- 6 weeks, 6 days, 1 hour, 30 minutes from starting to write to starting peer review.
- 6 months from starting to write to formally notifying the SEC.

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- 4 years since ChatGPT launched, lots of podcast appearances, 0 logic puzzles.

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Credentials to build a logic puzzle?

David

- B.S. in from a state university
- Product Manager, Computer Scientist, Inventor, Google, Microsoft, CME Group
- Former part-time semi-professional clown, worked kid's birthday parties, earned a job offer at a renaissance fair as a court jester
- Took a year off of college just to party
- Corporate Fraud Watchdog (hobbyist)

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- Tens of thousands of the most credentialed executives, engineers and analysts from the most prestigious universities who took all the same classes as David and then some
- PhDs and MBAs from Harvard and Yale
- Very nice suits, very firm handshakes

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Motivation to build a logic puzzle?

David

- A girl said “the SEC will handle it” and that really pissed me off.
- Moral obligation
- Patriotism 🦅🦅🦅🇺🇸🇺🇸🇺🇸
- Love of the game
    - The SEC investigates you because it’s their job. I investigate you because I want to catch you with your pants down and spank you. We are not the same!

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- None!

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Resources to build a logic puzzle?

David

- Total project cost to date <$10,000
- ~$100,000 opportunity cost
  - Market value of my attention
- 1 undergraduate research assistant
  - Too scared to put his name on the paper :(
- 1 laptop
- ~350 cups of coffee
- No ergonomic desk chair.

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- Billions of dollars in collective research budgets
- Trillions of dollars in capital
- Lots of ergonomic desk chairs.

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Effort to build a logic puzzle?

David

- Hours: 1500-2000 over 6 months
- Missed weddings: 1
- Missed bachelor parties: 1
- Total social commitments (excluding family): 3
- Total days in the gym: 0
- Weight gained: 16 pounds
- Built the puzzle while repositioning internationally

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- 0 effort

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Advantages to build a logic puzzle?

David

- No institutional constraints
- Exposed fraud before. Won. Had fun
- Scrappy + resourceful
- Willing to blow up a solid career
  - Grew up poor — not scared of poverty
- Stubborn + Competitive
- Semi-professional clown experience
- Love of the game

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- Every other advantage

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Rigor of analysis?

David

- Publishes a falsifiable structured deductive argument with empirical premises.
- Places $10,000 falsification bounty on his own work and invites falsification.
- Looks directly at frontier AI and goes “I built a logic puzzle. For you to solve. With your trillion-dollar machines. That solve logic puzzles.” Sticks his chin out.

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- Wall St publishes kindergarten-level “research report” titled “AI: In a Bubble?” that concludes that AI is NOT in a bubble without evaluating commodification risk.
- Silicon Valley publishes philosophical thought experiments as “serious analysis,” calls them VROOM, “paperclip maximizer,” and “Machines of Loving Grace.”

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Accessibility of analysis?

David

- Solicited peer review from an extremely diverse group so it would be readable for anyone with a high school education.
- Intentionally simplified language and added scaffolding so that the analysis is accessible.
- Wrote a picture book to show how simple the fraud is, gives analysis away for free

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- A one-stage DDM, assuming an equity risk premium (ERP) of 4.5%, implies an 8% per annum nominal perpetual growth for the US Technology, Media, and Telecom (TMT) sector. This is high compared to recent years (4-5%) but lower than the 10% implied in 1999/2000. We find similar results using a threestage model,"
- Sells "analysis" for millions of dollars to financial advisors.

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Am I the underdog?🤔


Aa Bb Cc Dd Ee Ff Gg
Welcome to Mr. Fernandez's Kindergarten Classroom
1. Be Kind
2. Raise Your Hand
3. Share
4. Listen
5. Clean Up
6. Don't defraud your investors!
READ PLAY LEARN GROW
Good Friends Brighter Futures
BIG Ideas Start Here!
Touch My Rock, King Midas!
Dario
Sam
Sundar
Elon
Jensen
Mark
AI SAFETY
ALIGNMENT
BIG QUESTIONS
Robots
Planets
Dinosaurs
How Things Work
A Brighter World