

Brock Pierce: from Hollywood child star to bitcoin billionaire

Brock Pierce is a cryptocurrency entrepreneur who's on a mission to change the world one blockchain at a time. So why do some people call the 38-year-old eccentric a cult leader? Interview by Ben Hoyle



Brock Pierce, 38, photographed wearing his bitcoin socks at the Waldorf Astoria Beverly Hills
BARRY J HOLMES

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Before he pledged to give away his entire estimated \$1 billion fortune, before he was hailed by *Rolling Stone* magazine as the “first cult leader” of the cryptocurrency world, before his former business partner became the most powerful adviser in the White House and only slightly after he got married at Burning Man in a unicorn-themed wedding with a whip-cracking best woman at his side, the child actor turned video-game tycoon turned technology visionary Brock Pierce very nearly died for no good reason at all.

for eight and a half minutes, which is as long as you can go before the brain starts to go.”

There had been an all-night party and Pierce, who barely sleeps anyway, was in the ocean with a couple of friends relating his recent experience meditating with a famous Dutch endurance athlete. “I’m like, ‘Oh, I’ve been hanging out with Wim Hof. That was so amazing, learning how you can hold your breath for three minutes.’ ” Then Pierce thought, “ ‘Wait, let me see if I can do it!’ Which was a really bad idea.”



Starring alongside Sinbad in 1996's First Kid

LMK MEDIA

Some champagne, he concedes, had been consumed.

“We decided to time it. Every 30 seconds I would raise my hand. So, 30 seconds - hand up. One minute - hand up. One and a half minutes - hand up. Two minutes - hand up. I think at this point my friends are just going, ‘Brock! How can he do this?’ Two minutes and 30 seconds - my hand goes up and then I think they looked away this time thinking, ‘How is this possible?’ And

They hauled him to the surface and although they “were 50 to 100 feet” out, they managed to drag his body back to the sand where, after a further five and a half minutes of CPR, Pierce began to breathe again.

“That changes you in terms of giving you a fresh perspective on how lucky you are to be alive, I guess, and still have most or all of your faculties,” he says. “I sometimes joke about it. I’m like, ‘Oh my God. I most definitely am brain-damaged, but I think it was all pre-existing.’ ”

The comedian John Oliver memorably described cryptocurrencies as “everything you don’t understand about money combined with everything you don’t understand about computers”. Year Zero was 2008, when a reclusive cryptographer or group of cryptographers going by the alias Satoshi Nakamoto unveiled a strange new creation distributed via something called a blockchain. The white paper originally explaining it was called *Bitcoin: a Peer-to-Peer Electronic Cash System*. The idea was to offer a decentralised, digital alternative to ordinary money, free from direct control by a government or central bank. Its allure was obvious. Its prospects, less so.

Bitcoin spawned hordes of copycat cryptocurrencies but remained the biggest and best known. Curiosity about the concept grew and then, in 2017, interest exploded. The price of bitcoin surged from around \$1,000 in January (then some £820) to almost \$20,000 by mid-December. Investors piled in, particularly speculators who revelled in the extreme volatility of the prices and were untroubled by the warnings of the financial old guard, such as Jamie Dimon, the chief executive of JP Morgan Chase & Co, who called bitcoin a “fraud” and threatened to fire any employee caught trading it.

cryptocurrency did not reach \$50,000 over the 12 months of last year, as one prominent hedge fund predicted. Instead, it lost three quarters of its value and fell to just below \$4,000. The price has continued to drop this year.

A decade into their existence, hardly anyone uses cryptocurrencies as the cash alternative they were intended to be. A whiff of criminality lingers around the shadier corners of the sector.

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I find Pierce lying on a sofa. ‘It’s hard to pin me down. I’ve been a digital nomad for my entire adult life’

Yet bitcoin and its competitors could still end up changing the world. That’s because of the vast potential of the technology they are built on. The blockchain can be thought of as an open digital ledger that spreads transactions across a vast network of participating computers that verify every exchange by consensus and then create a permanent record of them, which cannot be overwritten. The ledger can be updated only by mutual agreement and according to strict rules. The network is owned by no one and accessible to everyone.

Believers predict that this system will revolutionise the nature of contracts and transaction records in multiple walks of life, doing away with intermediaries such as bankers, lawyers and brokers, and solving problems that arise from lack of trust in areas as disparate as finance, medicine, property and migration.

In 2016 the World Economic Forum included the blockchain among its Top Ten Emerging Technologies. The United Nations World Food Programme already uses blockchains to verify refugees’ entitlements to cash payments in the Middle East and

IBM, BT, Intel, Bank of America, Amazon and Oracle are among the companies that have introduced blockchain solutions for their customers or filed blockchain-related patent applications.

According to one report, venture capitalists invested almost \$3 billion in blockchain start-ups in 2018 - up more than 300 per cent on 2017.

Even more striking has been the boom in Initial Coin Offerings (ICOs) - a cryptocurrency-driven method of crowdfunding that one Bloomberg journalist has compared conceptually to the Wright brothers selling air miles "to finance inventing the airplane". Currently these ICOs are taking place in a regulatory grey area. They are certainly lucrative.

Coinschedule, an organisation that tracks ICOs, reported that in the first seven months of 2018 such token sales raised almost \$18 billion for blockchain-driven projects. By far the biggest of them, hauling in more than \$4 billion, was for EOS, an innovative cryptocurrency platform created by Block.one, a software company founded in 2016 by three veterans of the industry and registered in the Cayman Islands for tax and regulatory reasons. One of them was Brock Pierce.

It's a rare sodden day in Los Angeles when I arrive at the Waldorf Astoria Beverly Hills. I'm pretty certain that the man bundling past me towards a waiting limousine is the former studio boss Jeffrey Katzenberg. Someone who looks a lot like Cameron Diaz is chatting by the fireplace at the back of the lobby. It's that sort of place. Even so, I'd be surprised if any of the guests are more intriguing than the man awaiting me upstairs.

with a fortune estimated at up to \$1 billion. He has been active in the cryptocurrency movement since its earliest days and is the chairman of the Bitcoin Foundation, a charity dedicated to spreading acceptance of bitcoin. He is also the co-founder of Blockchain Capital (one of the first blockchain venture funds), co-founder of DNA (a crypto advisory firm) and was part of the teams that organised the first ICO and launched two of the leading cryptocurrencies (EOS and Tether).



Brock Pierce and Crystal Rose's 2016 Burning Man wedding
CRYSTAL ROSE/TWITTER

A journalist who spent four days last year on a cruise organised by a blockchain company described Pierce being treated like a “minor deity” by the hundreds of cryptocurrency enthusiasts on board. “There are a hundred reasons you probably shouldn’t trust Brock Pierce,” she wrote. “For what it’s worth, I like the guy.” In a slight finessing of *Rolling Stone*’s verdict, she described him as “a man who would be an excellent cult leader if only he had the essential malice and attention span”.

I find Pierce lying on a cream sofa in the middle of his hotel suite, wearing a white dressing gown, three-quarter-length trousers made for him by a designer friend and three necklaces

adjustments to Pierce's suit. Pierce himself stands 5ft 4in tall in his bitcoin logo socks but spends the interview perching on the sofa next to me or reclining at increasingly louche angles.

He has a raffish goatee beard and deep bags under his alert, hazel eyes. As usual, he has had a busy few days.

"It's hard to pin me down," he says, with a slight croak and a giggle. "I've been a digital nomad for almost my entire adult life."

In the past week he has been in Las Vegas, then Los Angeles, then New York and now Los Angeles again. Tomorrow he will go to Florida and then to London for two days.

Mostly he lives in Puerto Rico, where he is the ringleader of a booming immigrant community of cryptocurrency and blockchain entrepreneurs who have flocked to the US territory because of the island's beauty, its current struggles and, of course, its favourable tax and banking laws.

Do you have your own private jet, I ask, for all this hurtling around?

"No, no, I'm frugal." So you travel economy class? "I try to buy coach tickets, but I fly so much I normally end up in business without having to pay for it." If Pierce had the time he would love to be a pilot. Emphatically, he does not have the time. "I'm a man on a mission."

The mission has a couple of aspects. First and foremost he wants to help Puerto Rico recover from the devastating 2017 hurricane.

Do you think you personally can resurrect Puerto Rico? "It takes teamwork to make a dream work," he replies smoothly.

gown lapels and give him a good shake, and b) he is exasperatingly likeable anyway.

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The internet is fundamentally broken. The foundation on which we built everything is like sand

“By myself there’s not much I can do. But if you can create enough momentum, if you can create a movement, if you can inspire enough people, everything is possible. I mean, take the word ‘impossible’: ‘I’m possible.’ It’s the exact spelling. And so I don’t believe anything’s impossible. I believe some things are just very, very difficult. But I see a path forward for Puerto Rico that can work.”

Apparently, Puerto Ricans are statistically the best-educated Americans and also have more artists per capita than anywhere in the union. The island is a goldmine for recruiters from Nasa and Silicon Valley, Pierce says. The problem, he adds, is “what I call brain drain. You have to turn it from a brain drain to a brain gain. That’s one of the things we’re doing: 500 to 1,000 of us have moved to Puerto Rico [and] are showing up with the human capital, the intellectual capital, the financial capital, the spiritual capital but, most importantly, the right intentions.”

Critics have accused them of colonialism but Pierce’s hope is to boost the island’s embryonic start-up culture to the point that the most promising members of the Puerto Rican diaspora feel inspired to return. “If a quarter of a million of Puerto Rico’s best and brightest come home, that’s all it takes.”

The other branch of Pierce’s mission is cryptocurrency and blockchain evangelism. “I’ve started probably more companies than anyone in this space. Possibly I’ve invested in more companies than anyone in this space. I’m certainly one of the

cryptocurrency and blockchain I don't look at it through the prism of any one project. I've always been doing all that I can to move the ecosystem as a whole forward."

He rarely sticks with a project for the long haul (he has left both Block.one and Blockchain Capital in the past two years). "That's not what excites me most, nor is it my greatest competency. Taking an organisation from 50 people to 500 people? I've done it. But I can find better people. Scaling something is a very different skill set than figuring it out. I like the figuring-it-out piece.

"I'm not sure I'm better than anyone else at anything, but what I have is an advantage of an asymmetry of information, because I've seen more than perhaps anyone. I have a better view of the overall board. It's like seeing the forest through the trees ... I can see where the world is going a little bit earlier than everybody else."

Has that made you a billionaire, as *Forbes* suggested?

Pierce smiles. "Well, the crypto market is down 75 per cent right now. I would imagine that I've been impacted like everyone else. But I've been very blessed with abundance. I've been very fortunate." In his mind that means "there's even more reason to do more" for others.

Actually, he says he is happy about the recent crash in the price of bitcoin because it should discourage the more unscrupulous and materialistic cryptocurrency investors.

"Every time the market starts running up wildly, all the cockroaches come out. All the worst traits, the worst qualities, become superpresent, and every time you get this market correction it's almost like a cleansing. It gets rid of everybody that stands with the wrong intentions and in these bear markets great things get built."

Steve Bannon helped him put together a \$60 million deal. 'I agree – and disagree – with him on a lot of things'

His own outlook on life has been shaped by visits to Burning Man, the annual festival in the Nevada desert where, theoretically at least, participants are set free from the conventions of normal society and guided instead by a philosophy of “radical self-expression”, self-reliance and sharing.

He held his 2016 wedding there to the blockchain entrepreneur Crystal Rose, secured by a blockchain-based marriage contract that can be changed or dissolved annually.

But long before that, Burning Man’s gifting culture had had a transformative effect on him. “I’m like, ‘Why do we all behave a certain way at Burning Man but then we come back to the analogue world and we go back to business as usual? Why don’t we take those same principles and apply them to our lives all the time?’ In the analogue world it’s even more shocking, when you’re standing in line to buy a coffee but you also buy a coffee for the person behind you.”

Wait, I say. Do you actually do that? “All the time,” he says. “When I buy anything, I normally buy two.” How do you know what kind of coffee they want? “I normally just pay.”

Burning Man and Pierce’s near-death experience in Miami both helped define who he is today. So too did “losing everything”, he adds. “I have had meteoric rises and falls.” He has endured “incredible failure, incredible difficulties, incredible challenges” and emerged full of “gratitude for anything and everything”.

Pierce’s first memory is of being on a film set, shooting an advert. He thinks that his early camera awareness might

press rewind and fast-forward and I can kind of see it like a film.”

He grew up in Minnesota, the son of a builder and a former professional disco dancer whose own dreams of stardom evaporated when she got pregnant with him at the age of 20. “The acting thing resonated with her. She was living vicariously through me.”

Parents ask him all the time if they should let their children act. “If they want to, I think it’s a great idea,” he tells them. “I wouldn’t force them to, but if they want to act, awesome. What I learnt from it is, if you’re at all lucky, you get to go on a lot of auditions. Auditions are the equivalent of interviews. Learning how to interview at a young age, learning how to present yourself, learning how to sell yourself, are very valuable skill sets. The other great benefit is as an actor, there’s normally 100 people auditioning for every role. So you’re going to learn a lot about rejection.”

That too is invaluable for an entrepreneur. “You’re out there pitching investors. You’re out pitching business deals. People are going to say no to you most of the time. What I tell parents normally is, if they’re successful, you may have a problem. But the odds of that are near zero, so don’t worry about it.”



Former Pierce business partner Steve Bannon

SPLASH NEWS

Pierce's father's side of the family were "somewhat" wealthy but his Grandpa Bob, who was one of the biggest developers in the state, went bankrupt during the Eighties mortgage crisis and his father steered away from risk in his career as a result. Pierce, on the other hand, was "super-entrepreneurial" as a child, organising platoons of neighbourhood children to run lemonade stands and mow lawns. He was also becoming obsessed with video games. "One of the incentives that I got as a kid is every

because there was almost no game that I'd buy that I wouldn't finish in the first night. I was a little gifted when it came to gaming." At ten, he was so good at the game *Mortal Kombat* that he was hustling 20-year-olds in video arcades.

Around the same time he won a part in the Disney film *The Mighty Ducks*, playing the younger version of Emilio Estevez's lead character. This led eventually to Los Angeles, where he filmed a sequel, *D2: The Mighty Ducks*, and then took the title role in *First Kid*, a comedy about the president's son. When he was 13 his mother divorced his father, telling Pierce that she did it for him and his career. It was "not a wise thing to tell a child".

At 14 Pierce went back to Minnesota and tried to be ordinary. "I had this moment: 'I just want to be a normal kid.'" But "it was obvious that you can't undo all that. You can't wind back the clock." He was too used to "having conversations that I just wasn't going to have in the ninth grade in Minnesota". He returned to LA with hopes of becoming a producer.

When he was 16 he met a tech millionaire who briefly made those dreams seem plausible. Pierce joined the businessman and his 23-year-old boyfriend in a partnership that, remarkably, became for a time one of the hottest start-ups in California. It raised almost \$90 million in funding from partners including Microsoft and Dell and its vision of TV content streamed through the internet pre-dated the success of Netflix and YouTube by years. Pierce once called the company his "business school", but is now wary of discussing it because of what happened next and how the episode has haunted his life.

With a \$75 million flotation on the horizon in 1999 the company's prospects imploded in shocking fashion. The millionaire was accused in a lawsuit of sexually abusing an under-age teenage boy in New Jersey. Soon afterwards the three founders resigned their positions. Shortly after that one of the

Funding for the business collapsed. Pierce and his erstwhile business partners moved to Spain and lived there for two years before police acting on a warrant from Interpol raided the house where they were living and detained everyone inside. The millionaire was eventually extradited to the US where he pleaded guilty to transporting minors across state lines for sexual purposes and began a life as a convicted sex offender. Further lawsuits alleging sexual assaults had by then been brought against all three of the men. None of the accusations against Pierce has ever been corroborated, however, and all of them have since been discontinued. He was still a teenager at the time they were made. No criminal charges were brought against him, but every article that mentions both him and his former partners or their business by name still yokes him to the scandal.

The stigma arising from what he has always said were false accusations has clearly exerted a great emotional and financial cost. “I’m definitely a far better person as a result of that experience,” he says carefully now. “It has forced me to hold myself to the highest possible standards or ethics because of the shadow that was cast.”

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His marriage is secured by a blockchain contract that can be dissolved annually

While he was still in Spain Pierce did what he has done throughout his life: he reinvented himself. For a long time he immersed himself in multiplayer online fantasy video games, to the extent that there were times, he once told *Wired* magazine, that he went outside “and the sun hurt”.

assets that helped them do better in the games, just as in the offline world people will spend heavily on expensive clubs to improve their golf. He moved to China and before long had, he claims, a supply chain of 400,000 people playing games professionally to generate assets to sell to mostly western *World of Warcraft* players. Effectively they were mining digital currencies before such a thing really existed.

The business was called Internet Gaming Entertainment, or IGE, and for a few years it was a spectacular success. Pierce took on a former Goldman Sachs banker to assist him on deals. This was Steve Bannon, the right-wing ideologue who would one day become President Trump's chief strategist. He helped Pierce to put together a \$60 million investment deal in 2006 with much of the funding coming from Goldman Sachs. But soon afterwards the company became mired in litigation that compelled Pierce to sell the core business to a bitter rival for a knockdown price. He was forced out and replaced by Bannon, but the two men remained close and have had "more hours of conversations about politics and government ... than I can recount", Pierce says.

"I agree with him on a lot of things and I disagree with him on a lot of things, too. That's healthy. What's unhealthy is when we become incapable of having conversations with people we disagree with."

Bannon, who has said that he would have gone into business with Pierce again in 2016 if the Trump campaign had not intervened, believes that cryptocurrencies and blockchain will be "the driving force of the fourth industrial revolution" after steam, electricity and the microchip. "There's going to be a war for control for this," he said last year.

Pierce agrees that "this technology is of the utmost importance" and that "the game is on" to determine whose legal system will eventually underpin it. Who decides that?

furthest along in having plans on how it should be rolled out in a way that serves their nations.”

Pierce found the cryptocurrency world through gaming. Unlike Bannon and many others, he is not involved because he wants to tear down the established order of things, but because he wants to “support progress for humanity” and build more resilient, less hackable systems to serve it. “I would make the argument that the internet is insecure and fundamentally broken,” he says. “The foundation on which we built everything is like sand.”

For a long time he pushed himself too hard. He would sleep only two to three hours a night. He is still “the last person to go to sleep and the first person up”, but has increased his nightly sleep to around four hours.

He remains a big fan of “ceremonial plant medicine” but adds, “I don’t do any drugs or stimulants because I’m naturally very high energy.” He is a “huge supporter” of legal cannabis, but rarely uses it because it dents his productivity.



Brock Pierce
BARRY J HOLMES

For a couple of years he trialled a “very unstructured method of working” that amounted to “keeping a never-ending salon going” rather than doing anything that looked like conventional work. If you wanted a meeting with Pierce, until very recently, that meant coming to wherever he was at an agreed time and finding that you were one of nine or ten meetings that he was holding simultaneously, so you were really there to network as much as to see him.

working on cryptography. But it came at a cost of my energy.”

Now, in time for the baby that he and his wife are expecting next month, he is “testing a more structured life. I’m not trying to do 50 things at once.”

He is no longer motivated by money and last year pledged to give away \$1 billion to charity (he is apparently still working out how to do that). “I don’t value anything I can buy,” he says. “I only value things that have been gifted to me. If I’ve received something as a gift, it’s priceless to me. If I’ve paid for it, it’s mine temporarily until someone says, ‘I really like that.’ Then I just give it to them.” He points to some Gucci shoes on the floor. Recently, Pierce gave an identical pair to a woman in Puerto Rico who said that she loved them and turned out to have the same size feet. “I took her shoes that were ...” He pauses. “Not very nice.”

He has lived “multiple lives” already. Would he do anything differently if he could have his time again?

“I wouldn’t change anything,” Pierce says. “If you take away your failures, your successes probably would never happen. I would be afraid to go back and edit any aspect of my decisions. I believe that I’ve always been a man of integrity. I believe I’ve always acted with a strong moral and ethical compass. I believe I’ve always been generous to a fault. I’m very happy with who I am as a human being. Obviously, I continue to get better.”

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