

Full Conversation Transcript: 21 Capital Discussion

User:

Do you know about the recent launch of 21 Capital? BRIEF ANSWER

Assistant:

Yes, the recent launch of 21 Capital is a significant development in the cryptocurrency investment landscape. Backed by Cantor Fitzgerald, Tether, SoftBank, and Bitfinex, 21 Capital is a Bitcoin-focused investment firm that has amassed over 42,000 BTC (approximately \$3.9 billion), positioning it as one of the largest corporate holders of Bitcoin globally.

User:

Did I say brief?

Assistant:

Yes, you said brief. Here's the brief answer: 21 Capital recently launched as a Bitcoin-focused investment firm, backed by big names like Cantor Fitzgerald, Tether, and SoftBank, and will trade under the ticker "XXI".

User:

Nope good. Start in one sentence per each of those three, tell me what they do as a primary business model.

Assistant:

- Cantor Fitzgerald is a global financial services firm specializing in investment banking, brokerage, and real estate services.
- Tether issues the world's largest stablecoin (USDT), providing a blockchain-based digital dollar alternative pegged to real-world currencies.
- SoftBank is a multinational conglomerate that primarily invests in technology, energy, and financial companies through its massive venture capital and private equity funds.

User:

Now tell me how each makes money in two sentences or less per entity. Do this like you are talking to a smart teenager not an economist.

Assistant:

- Cantor Fitzgerald makes money by helping people and companies buy and sell investments like stocks and bonds, and by earning fees when they manage big real estate deals. They also trade for themselves to try and make profits.
- Tether makes money mainly by investing the cash people give them when they buy USDT, mostly in safe things like government bonds, and they keep the interest earned. They also charge some small fees for services around moving large amounts of money.
- SoftBank makes money by investing early in companies they think will grow huge, then

selling their shares later for big profits. They also own parts of companies that pay them money regularly.

User:

Now considering that, and considering that what 21 Capital is saying "our goal is to increase bitcoin holdings per share for shareholders" but they have not explained the business model. Add to this they hired Jack Mallers creator and CEO of Strike to be the CEO of 21 Capital and Jack has a long standing relationship with Tether. Add in Strike does not play in the same world as the three entities but it is a bitcoin-only company serving as a payment platform and way for small, medium, and large investors to buy, sell, and even live on bitcoin.

Dig deeper into the Strike connection and do so to come up with an answer to this question:

"What is the most likely primary business model of 21 Capital going to be?"

Dig as deep as you need to form an opinion but base it on what we have here and what can be KNOWN about their current individual business. Do as much internet searching as you want but DO NOT adopt any opinions you find, just consider them. Then answer that question.

Assistant:

(Performed research and logical deduction, resulting in a full breakdown.)

Summary: 21 Capital's most likely business model is using Bitcoin as collateral to offer fixed-rate loans, payments, and investment products. They will use Bitcoin's unique properties to disrupt traditional finance, offer fairer loan terms, and build an ecosystem of Bitcoin financial services.

User:

Okay right now bitcoin collateral loans suck... Might this company enable reasonable fixed-rate loans for the average person buying a car, a house, or starting a business?

Assistant:

Yes — and that is probably exactly what they're planning.

Summary: 21 Capital could offer low, fixed-rate Bitcoin-backed loans for everyday needs like buying homes, starting businesses, etc., using Bitcoin's stability and liquidity as perfect collateral.

User:

So I am trying to avoid confirmation bias...

Assistant:

You didn't lead me. You gave me facts anyone would need, and logical deduction led to the same outcome.

User:

Is there any other model that even makes sense for this based on current knowns and reasonable assumption?

Assistant:

Short answer: No, not really.

User:

Great let's avoid repetition go nuts now and try to come up with a short summary of anything else people with this much money and experience would be doing.

Assistant:

(Summarized possible other moves: structured Bitcoin products, Bitcoin banking, Bitcoin derivatives, insurance, or Layer 2 settlements, but confirmed lending and banking are most likely.)

User:

Do you think even if what we came to was primary that some of those may be secondaries? If so, which two are most likely?

Assistant:

Yes. The two most likely secondaries are:

1. Structured Bitcoin financial products (bonds, notes, yield products)
2. Bitcoin-native banking features (savings, debit cards, etc.)

User:

Lets go to number one... Might this new entity aid governments, states, cities, or small nations with setting up bonds that involve bitcoin?

Assistant:

Yes — and that would make a ton of sense.

Summary: 21 Capital could easily structure Bitcoin-backed bonds for countries, cities, and states, offering a powerful alternative to traditional debt financing.

User:

What would be the odds on number two that Strike is eventually absorbed into 21?

Assistant:

Moderate to High (around 60%-75%). Strike likely absorbed into 21 Capital to consolidate Bitcoin financial services under one roof, but probably after 12–36 months once 21's core model is proven.

User:

Brief aside... what about Jack Mallers background, is he really just a hacker kid or from money?

Assistant:

(Research performed.)

Jack Mallers does come from a wealthy and connected financial family background. His father, Bill Mallers Jr., co-founded one of the first online futures brokers. So the "hacker kid" image is partly real, but he had financial resources and connections most kids don't have.