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LAUREN FOSTER: Hello and welcome to the *Take 15 Podcast* from CFA Institute. I'm Lauren Foster, and this is the show where we bring you an unbiased lens on investing and capital markets through short conversations with some of the world's most interesting and accomplished people. For today's guest, that description could not be more accurate. Dr. Rishi Ganti is a CFA charter holder and founder of Orthogon Partners, a private investment fund focused solely on esoteric assets. He holds a PhD in economics, and a law degree from Harvard, and speaks several languages with professional competence.

This is one of the most interesting conversations I've had, and certainly it's a first for the podcast. We discussed the case for esoteric assets, how they differ from niche assets, and some examples, most notably, charter school financing in the US. Richie holds a unique market philosophy. He's been hailed as a learning fiend, and a math savant. And hopefully, you'll get a sense of why. I had so many more questions I wanted to ask but we ran out of time. If you'd like to read more about his work and worldview, do a quick Google search for why modern finance is ruining the world, from the December 2020 edition of Institutional Investor.

And now without further ado, my conversation with Dr. Rishi Ganti. Rishi Ganti, welcome to the podcast.

RISHI GANTI: Thank you. I'm glad to be here.

LAUREN FOSTER: Well, it's terrific to have you on the show today. So tell me, are you starting out by calling in from Harlem-- East Harlem, is that where you're at?

RISHI GANTI: That's right. So I'm in Manhattan, New York, the epicenter of-- a one time epicenter of the coronavirus, and yeah, I'm calling you from my apartment.

LAUREN FOSTER: So one of the things that was left to do when I have someone who is calling in from New York is that I used to live in the city, so I'm always fascinated about what life is like in the city nowadays. And many listeners have either lived in the city themselves or have traveled there for business. And as I was sitting up here this morning, I was just looking at some statistics, and it's pretty horrifying. I read that something like 20% of hotels have closed, and something like more than 1,000 restaurants have closed. So you've obviously chosen to stay in New York City, just tell the listeners a bit about what the city is like these days, and why you've chosen to stay?

RISHI GANTI: So let's remember that most of us stay at home. So information that comes in about New York or any city really we're also reading about, I don't necessarily see these restaurants being closed because I don't walk the sidewalks that much. I do get out a little bit to take my daughter to preschool, she's at one of the few schools that still meets in-person, although this week they closed due to too many coronavirus cases.

We're in New York partly because Sarah is a hospital worker, she works at Memorial Sloan Kettering. And so that pretty much was it for us, and the apartment is very much our world as well as some parks that are nearby or some open air parks. New York, we all know, is a place where living here, the part of the attraction or why maybe you don't like it it's because you're in proximity to lots of people and you do things with lots of people. Some of those things are great. The arts, restaurants, entertainment, or business, industry, that takes place in these hothouse kind of environments, and some of it's not that great like commuting on the subway.

But all of that, good and bad is pretty much devastated, a lot of people have left. I know that because our social life has collapsed, and we never were ones to go out to restaurants that much but we absolutely did partake of the arts, and museums, and all of those are on very special schedules. If we do something it might be to go to the zoo, which is open near here even in January as cold as that is. So some of it we know, some of it we read about, but New York is quite a different place.

**LAUREN
FOSTER:**

Well, I hope it comes back someday. I'm assuming it's going to take a long while and would be quite a different city but my hope is that it will once again return. So as I was doing some research ahead of our conversation, they were two images that came to mind about you and your work. One was, you're a man on the mission, and the other is, I think of you as the Indiana Jones of investing, you're willing to go off into unstructured assets to discover new assets.

And you were broadly trained and things like time series analysis, stochastic processes, Bayesian inference, signal extraction, and you talk about having what you've called the county Jesus moment, and you walked away from all of that. What happened?

RISHI GANTI:

So at some point, especially this happens in graduate school. I mean, in graduate school, there has to be some component of it where you're staring at sunset, around the bank of a river and you're trying to understand what your place is in the world. I hope people reach those questions sooner than I did. I spent a long time studying markets, how they work, the mathematics of markets, markets being one of the most wonderful human institutions ever invented, not perfect but boy it got us pretty far.

And I realized, they function pretty well and they do a lot of things. And the reason the reasons that people go into high finance, let's say, are not always the most noblest, is just maybe to make money and make money any way they can, and the way money is made doesn't necessarily push society forward. If you've only got one life to live, you won the lottery and a number of scales, you're here and you're not a rock, or a piece of space dust, you're not-- even to be alive isn't enough, you're not an amoeba, you're not a plant, you're a piece of intelligent life, you've won the lottery-- there's no one in quadrillion, quadrillion would not even describe the number, what are you going to do with that life?

And I thought, well, the really interesting things are bringing things into being, the creating and giving life to things. And it doesn't have to be an asset, per se, as we understand it, it can be art which is an asset of course. But art, music, drugs, cures for disease, a new technology to fight an environmental issue, or even just a new way of working together, a new kind of governance, how do I get into that? And I realized, I really was on a very different path, I was really going to become a cog in a machine that's already pretty well oiled, and if anything, maybe needs to be reined back in some ways to serve what we want to do as people, as a society, or as a world.

And so I said, well, what does that involved? And that involved more of the Indiana Jones aspect of it, and involved going out there and not making all these crazy calculations. There's a funny scene in *Ghostbusters*, if you like that movie, that movie is very old, about 30 years ago where Harold Ramis' character, when faced by a ghost, Egon [INAUDIBLE], lifts up a computer and starts doing some calculations. And Bill Murray's character just slaps the calculator down and says stop that, because it doesn't matter. They're faced with a ghost.

And so in something that people have never seen before, didn't really know that was there, even they didn't. So in a way, that exploration, I thought was more, is actually more meaningful than just shaving off a fraction of a penny on a stock order. Or something of that nature. And that, I was still young enough to really, and we're always young enough to make a pivot in life, but I was young enough to really understand that, and make a little bit of a leap of walking away from all those things I built. But we know from economics, those are just sunk costs, they shouldn't guide us in an optimization, including in a meaningful life.

**LAUREN
FOSTER:**

So I'd love to talk a bit more about Orthogon. But before we go there, I've heard often when you sit up talking about Orthogon, one of our approaches is to go off to some of the sacred cows that investors have about markets, and LFA, and macroeconomics. So just give us a little bit of a flavor of some of the conceptions we have that to you are really the wrong conceptions, and you got to those understandings, and that's what led you towards the Orthogon path.

RISHI GANTI:

Sure. So actually, if anything, I think I'm protecting the sacred cow. And something about what happens when people leave university, I'm just going to make a stylized example here. And they become practitioners in finance, is it they somehow go under a veil and they ignore truths that we just know are incontrovertible. So one of them that I cite a lot is taught in a first course in economics, and that is competition eliminates profits, perfect competition eliminates profits perfectly.

And that is called the theory of competition, but it's only a theory in the sense that gravity is also a theory. All right? There is nothing wrong with this theory. If you are doing something that thousands or millions of other people are doing, you're not going to have any pricing power in that activity. Now, I need for you to think expansively about that. Anything that's being done that is quite common to do is just less valuable in general than things that are quite rare and special.

But when people get to finance, it's very convenient for them to forget that fact. And when I'm talking about-- I'm talking about an entire industry, I'm very broad in my sweep. What kinds of activities do people do in the world of investing?

Well, they'll invest in stocks, they'll invest in bonds, they'll invest in currencies, there's private equity, there's venture capital there's distressed debt. We can name all of these strategies, but what do they all have in common? They're all competing. Either in a liquid space, so-called liquid space.

Where people are trading anything on a screen, well, obviously, the price on the screen is the reflection of thousands or millions of participants, some of them not even human. They may be robots or artificial intelligence actors. If you want to buy a position, you got to buy at the highest price. If you want to short a position, you have to short at the lowest price. Either way, you have to defeat all your rivals, it's a very poor way of making money.

And actually going back to a question you asked earlier, maybe not the most meaningful activity for you. What about in the so-called private market? Well, if you're that VC firm and you see a pitch for a startup, or a private equity firm and you see a pitch for a company, or whichever kind of firm you're in, it's just a PowerPoint deck, right? That PowerPoint deck found its way to you, it's found its way to lots of other people and we're just going to say the same thing, you only get that deal if you are willing to defeat all rivals for it.

So the point of investing in a purely private sense. Let's ignore the social benefits of investing and the value to the world, let's just look at it in a purely private sense, it's to make money. It's to have higher risk adjusted return, is to have what we call economic rents to capital, is to make profit. But if you're just looking at something everyone else is looking at and you think you're willing to pay the most for it, well that's a terrible formula to make profit in an economic sense. Let's talk about that for just one second.

In an economic sense, one of the disappointments I often have with investment allocators is they say, oh well, that was that firm was great, it made us a 15% return, you can't possibly know if a 15% return is good or not, until you know what should have been made with it. Let me tell you, let me explain. If the investment manager took risks that should pay 20% and only made 15%, is that a good return? No. If the investment manager took very low risks, like risks that only should pay 1% to 2%, government bond type of risks, but made 15%, that's a pretty good investor.

Until you know the answer to that subsequent question, you don't know if 15% is good. That's like somebody putting betting on black in the roulette wheel and doubling their money and saying, hey, I'm pretty smart. Well, not necessarily, right?

So practitioners just think that there are great differences between things like private credit and traded currencies, but actually in economics there isn't. The discipline of markets ensures that people do not earn what I call abnormal return, or if you want to extend it a little further, Alpha, in those scenarios. We all have different stories to tell talking to a long shore trader is not like talking to a distressed debt or merger specialist, but in the end it's the same, but it's different if you discover an asset.

So those are some of the things that I am very upfront with and it can make investors very uncomfortable because they've forgotten this lesson that they learned probably at age 18, which, and if I gave this talk to people at 18, they would be looking at me like I'm not saying anything at all. And I would say, wait 10 years and you will think this is some kind of revelation.

**LAUREN
FOSTER:**

So you went from Academia to Two Sigma, and then you founded Orthogon partners. Tell listeners a little bit about what Orthogon does.

RISHI GANTI:

Sure. So first I went from Academia actually to JPMorgan, I had a few careers. But in all of those cases, I was working basically in proprietary capital because proprietary capital was the kind of capital that really is willing to go far afield. Now at Orthogon it's really the continuation of pretty much 20 years of experimentation, and work, and trying to see if we could somehow mechanize or industrialize this exploration process. If you are the mythical Indiana Jones, well, yeah, a movie studio is going to make sure that you will always find another idol, or another arc, or another thing because there will always be another plot for the movie.

But in the real world, the act of discovery is a creative act. It's very hard to turn that into a factory. We could imagine a best selling novelist comes up with a great idea, and it sells a lot of books, creative act. Novelists are creative people. And then the editor says that's great, that was really good for 2020, is 2021, where is your next book?

And you can imagine the novelists, hang on, it doesn't work that way, we don't turn a crank and just make this happen. And so at Orthogon we're doing our best to put in processes that help make this serendipitous, or this really lucky protean activity happen a little more often, and a little more intelligently to the benefit of our investors or the benefit of the world around us, and it's fun. It's a struggle but it's fun. But we don't show up and have trades on screens, or PowerPoint flying across our desks, that many other people have seen. That's just not what we do.

Once we have one of these ideas, then yes, we definitely try to make it repeatable, we build a business around the idea, we try to, what I call service this asset into a market and control the evolution of that asset as much as possible. And that act of birth is really what drives Orthogon forward and animates our investors.

LAUREN FOSTER: I've heard you describe that act of discovery as a magical place. And it makes me think of Joan Didion's book, *A Year of Magical Thinking*. I expect you've had several years of magical thinking as you birth these ideas. I guess in the material, I've seen about the friends you talk about esoteric assets. So what exactly is an esoteric asset?

RISHI GANTI: So in finance, finance is notoriously imprecise about terminology. It's really terrible, right? People, one of the words that has gotten so abused, for example, is alpha. I don't think people understand what alpha is anymore. And it's that return which is proven to be not attributable to any form of risk-taking. So again, back to that 15% to 20% example, 15% is a good return. Well, we don't know how much alpha is in it, tell us how much return is due to risk. Oh, 20% is due to risk. Oh, OK, well negative 5% is then therefore the residual that brings you back down to 15 so your alpha's negative 5.

OK. So that's one of the problems, again, a kind of sloppiness that exists in the industry. So the word esoteric is another one of these sloppy terms in Orthogon, is trying to make a dent by owning this the rhetorical space around this term. Let me be clear. Let's divide the world into two kinds of assets, one kind is conventional assets, and the second kind is unconventional assets. Conventional assets are what you would think that they would be, private equity, venture capital, stocks, bonds, derivatives currencies.

Unconventional assets, well, those are the stranger sorts of things. Trade, finance, tax liens, music securitizations, drug pharma, royalties, and the like. Now let's divide that second group, unconventional assets again into two different kinds of assets. One I'm going to call niche, and the other one I'm going to call esoteric.

What's the difference between these two kinds of unconventional assets? The difference is whether they're traded or not. That's it. Just because an asset is unconventional does not mean it's not a PowerPoint deck that is seen by many, many investors, and it only goes to the highest bidder. If you are doing-- if you are trying to buy an aircraft engine, that's pretty cool, but a lot of other people are doing that. OK?

If you're trying to do hydroelectric power dam credits, that's pretty interesting, but that PowerPoint deck other people are seeing. We group at Orthogon, conveniently, all of those activities into niche. At a cocktail party, you'll be much more interesting than the longshore trader in utilities. But you're still subject to the same physics that all those 18-year-olds around the world know, right? Which is the market working hard to make sure you don't get a bargain in buying it. You don't get a bargain in buying a music securitization or drug farmer world, you don't get a bargain going into the stock market. If what you buy goes up, kudos to you, but it could have been luck.

The world of esoterics is the other side of that, what if something's not trading? We like talking about charter school capital, which is an effort that we helped build, and that basically revolved around what is now an asset that \$2 billion worth, at least have been done, it's clearly understood. But at the beginning, there was basically nothing, and certainly nothing flow or industrial. Charter schools couldn't finance themselves.

But that didn't make sense because their municipal credits. Anything that has municipal backing should be financed. It's pretty safe, but it just didn't exist. All assets have to exist at some point. Every stock in the stock market had to IPO at some point. And before it IPO-ed, it had to be somebody's idea to start a company. Things have to come from somewhere. And so we started charter school capital, we actually assisted in an effort that was already ongoing but had done very little, and now they've done several billion worth. So that's what esoteric is.

It doesn't have to be strange, it just has to be an unconventional asset that isn't traded across because they're PowerPoint exploding across other people's computers. If it is, then we call it niche. That's how I would define esoteric, and I think that's a very useful definition, rather than just the kind of vague word that's tossed around because it sounds cool.

LAUREN

Yeah, that is. So charter school is a great example, especially for our US audience. For a more global audience, give us a couple of other examples of us you've discovered, I think I read something about the Vatican, there are lots of very interesting opportunities that you've exposed, can you give us a couple more?

FOSTER:

RISHI GANTI:

We can try. I mean, I have to be a little bit, I have to telescope back to our school capital, is a very public example, and so we do that. But we have definitely funded governments, religious orders, we've done low income housing in different countries, schools, hospitals, and in all of these cases, we had something that, well, if you look at it on paper, there's no reason why there isn't something one can invest in, it's just that it isn't all done for you. So it isn't all wrapped up in a bow, and you're handed a pen, and you just sign here and you own it, which one can do for example, to buy a house, or invest in the B-round of some company. Or that you can press a button on a screen and then some trade order flows through in some magical distribution mechanism, and then you own whatever that is, a stock, a currency.

One of the areas that we find very, very fruitful that we think provides a lot of social value as well as private value, that is returned to our investors in excess of the risk that they're taking, I want to make that clear, is in fact interaction with governments. There's something about, there's some inefficiency, some gap in the way the market operates commonly, not always, where capital that could fund an activity that is government backed just doesn't seem to get there.

So one can have, I've talked about religious orders, I've talked about social service agencies, they often can act the same way, but they can fund healthcare, they can fund programs for refugees, they can fund poverty protection programs where, for example electricity is provided into your house. But if you can't pay for it, well, that's OK, they'll keep the electricity flowing.

Now somebody does have to pay for all of these things, that's the sad reality of the world, somebody does have to take care of the homeless, of battered women, of refugees, somebody has to pay for the people who are devoting their very good lives to taking care of these problems. And that typically might be a government. The government says, well, we're sponsored here, but the governments are cash strapped, they're cash strapped all around the world, they're cash strapped in North America, South America, most of Europe, right, not every government runs a surplus like Norway does.

And so governments finance themselves. And the way they finance themselves partly is by delaying payments, partly by shrinking the payments they do give partly by subjecting the payments that they might give to these social actors to risk where the payments might disappear, or be audited, or whatever a government has to do, because at some level a government can't spend more than it has. That lesson is very clear in Europe where the currency, the euro is not controlled by a government that can just print it willy nilly, as it can be in other places, there are merits on both sides of that debate.

And so we can step in and say, we don't know why nobody's funding you. It's causing you a lot of distress. We can provide some gap funding for you until those payments come in. That has been enormously helpful in a number of places. The economic distress that is experienced by these social actors who cannot pay teachers, who cannot pay social workers, cannot pay hospital workers like doctors, is much greater than the actual amount of the payments. So timing does matter, and so we do some of that too.

**LAUREN
FOSTER:**

So just getting back to the magical place of the unearthing of the discovery of the assets. That seems like it's a very intensive process, how do you go about surfacing in these kinds of opportunities?

RISHI GANTI:

So one of the greatest disadvantages of Orthogon's approach is that it's very labor intensive. The great conveniences of buying something that is competed, that is its flow, it's broken, it's on a screen, it's on a PowerPoint deck is that, well, it's wrapped up in a bower for you, right? You just have to press a button on your screen, or without that pen and sign, and you've basically got it. There is a lot of work that's done, but that work is in what I call investment analysis, something that the CFA charter holders will clearly understand.

Is it a good idea to buy it? Because all I have to do to buy it is take a pen and sign. But is it a good idea? There's a lot of effort that goes into that, the results of that effort are unfortunately mixed. Most evidence, reliable studies about investment manager show that they don't create value, that they don't earn positive abnormal return or positive alpha in fact, quite the opposite, they don't justify their fees.

So were the guns labor intensive? Just like writing that novel, making that song, inventing that cure, or developing a new technology to solve an environmental problem. OK. So how do we do that? Unfortunately, now I run into a second problem. Not only is it labor intensive when it works, there's no guaranteed way to make it work. So just like the novelist might just blank out and say, well, I don't really have an idea for a follow object, maybe like JD Salinger, the novelist writes the catcher in the rye and just disappears. Because there is no second novel.

Harper Lee go set a watchman. I mean a lot of people might want to read that, but she's got one book, that's all she really needed. And it's a question as to whether it can be followed up. So we do try to create the atmosphere where we can perhaps do it again and again. What are some of those ways we do that?

One way that we do it is by speaking to lawyers. Because for some reason, lawyers seem they don't realize that they are, but they're on the forefront a lot of interesting ideas because people go to lawyers to ask them, may we do this. Is this all right? So for example, if somebody is creating a Airbnb, let's say, we're not venture capital, but let's use Airbnb. Is it legal for us to do this? Are we running a hotel, would we be subject to hotel regulations if we're doing this?

Well, somebody asked a lawyer at some point in time. And the other great thing about lawyers is, they're not trying to sell you something per se, right? They're not a broker or an agent who's pushing something in front of you and giving you a one sided view of it because they have a financial interest to do so, lawyers like Boyd is really curious. Going back to our school capital for a moment, a lawyer said, during the crisis 2008, we were involved earlier than that, but I was involved, excuse me in another role earlier than that.

The lawyer says, for all the state finances, difficulties that states are having including California, charter schools are absolutely safe in California. Oh, why is that? Well, because there's a waterfall-- a payment waterfall in the state constitution, and schools have to be paid ahead of the bonds. The teachers union put that in.

So California in theory has to default on all of its bonds before it touches a payment to the schools, so odd that they can't get paid or get financing. Ding, that idea came from a lawyer, and poking on that idea little bit produces an idea that really has profoundly affected how the United States thinks. I mean, billions of dollars of financings have flown into a school that provides competition to traditional schools. The impact is far beyond the financial capital that's been inputted.

So that's one way, is talking to lawyers. Another way is by talking to the groups that we start. As I said, we try to build businesses around these assets. Because to do an asset once, well, that's naive. But to build a business around it that can explore, that can grow, that can think, they can react to threats. They can look at adjacencies and say, hey, we're doing this asset, good idea. But now that we're here we realize this asset is also good, it's pretty similar.

Well, those companies, in Orthogon, again we have a piece of vocabulary, we call them platforms, they'll often give us ideas. They'll say, hey look, Orthogon, we figured you out. Oh, really, tell us. And they'll say, Orthogon, you just like to do things nobody else does. That's what you do, and then you mechanize it. Congratulations.

They'll say, well we know this other thing. We're not experts there, we're not great at it or anything, we wouldn't want to do it but you should look at it, you should give that guy a phone call. And you know what? We give that guy a phone call. And 19 times out of 20 nothing happens, but one time out of 20 something does, and 20 times out of 20 you probably make a friend.

The third way I would say that we do just by thinking ourselves. At Orthogon we're very proud that we're paid not for being comparison shoppers, we're not highly paid comparison shoppers, which at some level pejorative distinction all investment managers seem to be, but rather we're paid for a lot of work. It's very labor intensive as you pointed out. But also for thinking really hard about, can something that's not being done be done? In many cases, you have to let sleeping dogs lie. There is a reason why something has not been done.

It's very unlikely, extremely unlikely that the few of us at Orthogon will be first to do something. It's rather that we're not the first to something but we see it in a way others don't. And we look to see if there's private value, there's social value, if we can earn something well above that 15%, well above what it should be paid, whether it can scale, whether it's ethical. These are all questions that we ask. Why all those things are true? why hasn't it been done before?

It's very hard to get a good answer to all those questions. And so I do want to tell you, we don't do a ton of these things here. Just like any company, even a major drug company, does not launch drug after drug after drug every week or month. For us to make an effort might take years, we have several of those efforts going on at the same time, like a drug pipeline, so maybe only one comes to fruition each year or two. That's just the reality of what we have.

**LAUREN
FOSTER:**

So Rishi, every episode, I wrap up with what I call the three closing questions. And last year I started out by asking one question that was focused on the pandemic because I felt like I needed to end with something positive. And then towards the end of last year, I found another funny question, so I added that on, and then this year for the first time I've added a third question. Because again, the quirky but they tell me a little bit about who you are and how you think.

So the first one is just the most standard, and it's what we call the ray of sunshine question, and it came from here, Trevor Noah right in the beginning of the pandemic, would always have his ray of sunshine clip at the end of his show. And so my question really to all the guests and to you is, what is one long term positive outcome that you hope will stick around than the little lost as a result of the pandemic?

RISHI GANTI:

One of the pieces of the conventional wisdom that has been out there, in all kinds of commentary in the news and in literature, and in everyday opinion is the divisiveness of people. And that cooperation only occurs on very limited scales where interests align for the briefest of moments like some solar eclipse. And that is just not true.

The pandemic has clearly shown that all kinds of agents and agencies, people can work together from very disparate walks of life to push something forward quickly. The vaccine is only one of the examples, but it's the best example, but is only one of the examples of just the acceleration and the demonstration of what human beings can do if we have focus. Imagine if we just did that in other areas. And the fact that that was delivered upon by politicians, by scientists, by social actors like hospital workers, by everyday people who supported those groups one step removed, shows there's greater promise to the human condition that I was led to believe. And I really do enjoy that.

**LAUREN
FOSTER:**

Second question, and this was from a NASA middle school education model, where they asked students to think about a long duration space flight they were about to take, and to select one object to take with them. You're about to get on that flight, what is the one object that you take with you?

RISHI GANTI:

I have two slightly different answers, I don't want to cheat the question. I mean one thing I would want, and this is influenced by people who talk about going to Mars, and really they're not coming back is memories of the family. You're launching into something new, it's generating your spirit, it's amazing, but you're leaving something behind. I have, I'm the father of a three-year-old and a one-year-old. What were their lives be like?

Let's suppose that weren't an issue. Let's suppose in fact I'm on some colonizing space show, there with me for some reason, as crazy as that would be. I would really want to keep with myself, basically either *Meditations* itself by Marcus Aurelius, or all a work one of many by Ryan Holiday, who just helps us understand it. Because re-centering on what that would be on that space flight, and I'm really focused on that idea, and not just sheer isolation, although I think I to do the same thing on a desert island, is key. I get a reminder in my inbox everyday, about a stoic principle, and it can get me through the day as to why I'm here. But that's what I would do.

**LAUREN
FOSTER:**

All right. And then the third question, and this is the one I've only asked one other guest because I only came up with this idea a couple of weeks ago after listening to a this American life from 20 years ago, that was all about superpowers. And in it, John Hodgman has this exercise at cocktail parties or wherever he goes, he asks people they have to pick and pick-- or the choice is the power of flights or the power of invisibility. And whichever you choose, you're the only person in the world to have that super power, and what do you do with it?

RISHI GANTI:

OK. So I would definitely choose the power of invisibility let's do this in two parts. The reason is that I believe the power of flight is rapidly arriving. as an individual, I don't know when we can just strap on a cap and fly away, but it's not so far fetched, in fact, I think there are already planes that are complaining that that's a drone, no that's a human being in my flight path. So I would do invisibility, I think that's a little further off, although there is actually an invisibility cap that works apparently, that somebody can wear and you can see right through that person, but that's what I would pick.

And what would I do with the invisibility cap? Let's go back to the nature of privacy. It's a great power. With great power comes great responsibility, unfortunately or fortunately. Privacy is a tool. Like any tool, it can be used for good or for bad. There is currently, as we have this podcast, a gigantic discussion of the monetization of various instant messaging platforms for profit, what that means, and a lot of people are just, this is a phenomenon and is happening, as we speak, are going to an app called Signal, which is a text-based app that has very high security, and is not for profit.

Well, who's going to use Signal? Well, we're not in a Manichean world about good guys and bad guys. So invisibility is really the Achilles. The Achilles heel of privacy is that it is susceptible to invisible actors. And so if there were a way that if we're in that two by two grid, there's high privacy and an evil act are intersecting here, that we could, in that zone, have someone like I guess me, working with an invisibility cloak, ALA Harry Potter, to actually penetrate that, that's the game of cat and mouse that I would be a part of. And the pursuit of that justice absolutely, I would have no issues being a part of, and we consider it a great calling if I had that power.

**LAUREN
FOSTER:**

Well, that is a great note on what to end Rishi, thank you so much for your time today. I've really enjoyed our conversation.

RISHI GANTI:

Me too. Thanks a lot for having me on. I hope your listeners really enjoy this.

**LAUREN
FOSTER:**

Thank you and take care. If you enjoyed today's episode, please consider rating and reviewing us on iTunes or wherever you're listening. We'd love to hear your thoughts, and it helps others find the show. Also, a quick reminder, this podcast isn't intended to provide expert advice on the topics we covered. If you need tax, accounting, or legal advice, please consult a professional. I am Lauren Foster. Thanks so much for listening.