A PANOPTICPROTOCOL COMMUNITY GUIDE

Freedom of Money

The Whole Book, in Plain English

Changpeng Zhao’s memoir — the founder of Binance, from a dirt-floor village to the world’s largest crypto exchange, a US prison cell and a presidential pardon — summarised start to finish in sixteen short, jargon-free guides. One for each part of the book. No hype. Written so anyone can understand crypto and protect their money.

Contents

The sixteen parts of the book. Each is a short, stand-alone guide — read straight through, or jump to any part.

PART 1

Freedom of Money

A simple guide to the opening of Changpeng Zhao's memoir — written for everyday crypto users.

Freedom of Money is the memoir of Changpeng Zhao — known everywhere as "CZ" — the founder of Binance, the world's largest crypto exchange. This guide walks through the opening of the book in plain language: who CZ is, how Binance began, and what regular crypto users can learn from it. Every crypto term is explained at the end.

THE STORY IN 30 SECONDS

A boy from rural China moves to Canada at age 12. He flips burgers at McDonald's, works night shifts at a gas station, and teaches himself to code. Decades later he discovers Bitcoin, sells his house to go all-in, and in 2017 launches Binance. Within five months it is the biggest crypto exchange on Earth. Then regulators come knocking. In 2023 he pleads guilty to a single U.S. compliance charge, serves four months in prison, and in 2025 is pardoned by President Trump. He wrote the first draft of this book in his prison cell.

2017 — Binance launched (July)

5 mo. — To become the world's #1 exchange

300M+ — Users as of 2026

MEET CZ

Both of CZ's parents were teachers. He grew up in rural China and started school at five. At twelve, his family moved to Canada, where he worked through a stutter, flipped burgers, and pumped gas on night shifts — and still won MVP in school sports. He studied biology, then taught himself to code, and worked in Tokyo, New York and Shanghai before crypto pulled him in for good.

The big idea of the book: CZ says he never really changed. The world's opinion of him swung wildly — hero, then villain, then hero again — but he insists he stayed the same person the whole time.

HOW BINANCE WAS BORN

CZ discovered Bitcoin in 2013 and went all-in. He even sold his house — and then watched the 2014 market crash wipe out most of his money. He kept building anyway. In July 2017 he launched Binance. The growth was so intense he says he lost 10 kg (about 22 lbs) in just three weeks. Five months later, Binance was the largest crypto exchange in the world, a position it has held ever since.

LAUNCH DAY DID NOT GO TO PLAN

You would expect the launch of a soon-to-be giant to be a triumph. It was not. The team counted down — "three, two, one" — and the screen filled with sell orders and almost no buyers. The price of Binance's own coin, BNB, started sliding. The room went silent.

What happened? Many people who bought BNB early just wanted to flip it for a fast profit on day one. The product itself worked beautifully — fast, clean, easy to use — but the price fell anyway.

CZ's lesson: markets move on emotion, not logic. Prices can drop on good news and rise on bad news. So instead of panicking, the team simply kept working — shipping new features non-stop and sleeping in the office. CZ also did something unusual for a CEO: he live-streamed every other day, even while people hurled insults in the chat. His view was that users want to know you are there and that you care — so don't hide behind a PR team.

FROM HERO TO VILLAIN — AND BACK

Success made CZ famous fast. Forbes put him on its cover in 2018. But fame cuts both ways. Headlines that once called him a "legend" and a "savior" flipped to "felony" and "toxin" — and CZ noticed they moved in lockstep with crypto prices.

In November 2023 he flew to the U.S. and pleaded guilty to one violation of the Bank Secrecy Act — in short, Binance had not registered properly as a money-services business in its early days. He stresses there was no fraud and no stolen money. He served four months in prison and was pardoned in October 2025.

5 TAKEAWAYS FOR EVERYDAY CRYPTO USERS

1 Price is not the same as value. Binance's coin fell on launch day even though the product was excellent. A falling price does not always mean something is broken.

2 Beware the "quick flip." Day-one sellers chasing fast profit are what crashed BNB's price. Short-term flipping creates the volatility that can burn you.

3 Back teams that show up. CZ live-streamed and answered users directly. Honest, visible communication is a green flag when you decide where to put your money.

4 Rules are real. CZ went to prison over a compliance and registration issue — not fraud. The platforms you use operate under real laws, and that can affect you.

5 Ignore the hype swings. "Savior" one month, "villain" the next. Judge projects by what they actually do, not by the mood of the headlines.

CRYPTO WORDS, EXPLAINED SIMPLY

Crypto exchange — A website where you buy, sell and trade cryptocurrencies — like a stock exchange for digital coins. Binance is the largest.

Blockchain — A shared digital record book that logs every transaction and is extremely hard to fake or tamper with.

Token / Coin — A unit of cryptocurrency. Some coins have their own blockchain; others run on top of someone else's.

BNB — Binance's own cryptocurrency. It launched in 2017 and later got its own blockchain, called BNB Chain.

ICO (Initial Coin Offering) — A public sale of a brand-new cryptocurrency to raise money — a bit like crowdfunding for a coin.

Bank Secrecy Act (BSA) — A U.S. law requiring financial businesses to follow anti-money-laundering rules and register properly. CZ pleaded guilty to one violation of it.

The opening of Freedom of Money really comes down to one line from its dedication: "May you live in a world where freedom is the default." The rest of the book follows CZ's rise, fall and return — and we'll cover it as the story unfolds.

PART 2

Where CZ Learned About Money

How a childhood with almost nothing shaped the founder of Binance — and what it teaches the rest of us.

THE STORY SO FAR

In Part 1 we met Changpeng Zhao ("CZ"), founder of Binance, the world's biggest crypto exchange. This part goes back to the beginning — the "Early Days" chapter of his memoir — where his lifelong money habits were formed. They are worth copying.

CZ's family was poor. Not "tight budget" poor — dirt-floor, carry-your-water poor. Yet that childhood produced someone unusually calm and deliberate about money. Here is what happened, and the simple lessons inside it.

A CHILDHOOD WITH NO RUNNING WATER

CZ was born in a small town in China and grew up in a village with a packed-earth floor, no running water and no electricity. His mother carried water home from a well 300 metres away, balanced in buckets on a bamboo pole. When the family finally got a hand pump — and later a single light bulb — young CZ was amazed. The light bulb, he says, felt "like witnessing witchcraft." The hand pump, he writes, "sparked my fascination with technology." That sense of wonder never left him.

STARTING OVER WITH NOTHING

In 1989, when CZ was 12, the family emigrated to Canada. His mother — a math and history teacher back in China — took a minimum-wage factory job sewing clothes just three days after arriving, because her English was limited. The family's first car was a 12-year-old Datsun bought for $400 that constantly broke down. CZ slept in a windowless storage room. They knew they were poor — but, he writes, "the idea of complaining never crossed our minds." He started working young, too: flipping burgers at McDonald's at 14, washing dishes at 15, an overnight gas-station shift at 16.

THE $1.99 TOY AND THE $7,000 COMPUTER

Here is the contrast that explains CZ's whole attitude to money. As a teenager he owned exactly one toy — a $1.99 plastic airplane he'd had to beg for. Yet when he was 13, his father spent $7,000 on a computer — seven months of his entire salary. The family clipped grocery coupons every week and kept a little notebook tracking every expense. They spent almost nothing on fun — and made one huge bet on a tool that could build CZ's future. His verdict: "Without that computer, I might not be where I am today."

FREE HELP, WHEN MONEY WAS SHORT

Again and again, free knowledge changed CZ's life. His volleyball coach wasn't actually a volleyball player — he learned drills from books — so CZ borrowed the same books from the public library and often knew the drills before the coach did. When CZ couldn't afford a $90 volleyball camp, he showed up and watched anyway, and got invited in. ("80% of success is showing up," he later said.) And when he developed a severe stutter as a teenager, his family couldn't afford a therapist — so the school counsellor found a retired speech pathologist who helped him for free. Four weeks later, the stutter had mostly gone.

5 MONEY LESSONS FROM CZ'S CHILDHOOD

1 Know where your money goes. CZ's dad tracked every single expense in a small notebook. You cannot control money you do not measure.

2 Separate "fun spending" from "future spending." One $1.99 toy; one $7,000 computer. Spend little on things that only entertain — invest seriously in things that build your future.

3 Never borrow money to spend. In CZ's family, borrowing to buy things "was just not part of our culture." Debt for everyday spending is a trap.

4 "Freedom of money" means control, not having loads of it. CZ's family had very little — but because they tracked it, saved it and aimed it carefully, money never controlled them.

5 When money is short, reach for free knowledge. Library books, a free camp seat, a free speech therapist — CZ beat money problems again and again with free help. Honest, free crypto education (like this guide) is the same idea.

MONEY HABITS WORTH STEALING

- Track every expense — even in a cheap notebook.
- Before you buy, ask: is this fun spending, or future spending?
- Keep a gap between what you earn and what you spend — then save it.
- Never go into debt for things that lose value.
- When money is tight, look for free knowledge before you give up.

CZ's family wasn't rich — far from it. What they had was discipline. That is the real meaning behind the book's title, Freedom of Money: money should be a tool you control, not a master that controls you. A lesson worth far more than $1.99.

PART 3

CZ's 20s — The Lessons Before Bitcoin

A whole decade of jobs, mistakes and skill-building — before CZ ever touched crypto.

THE STORY SO FAR

Parts 1 and 2 introduced Changpeng Zhao ("CZ"), founder of Binance, and the frugal childhood that shaped him. This part covers his twenties — university, then fifteen years of work across Tokyo, New York and Shanghai. It is the least flashy part of his story, and it holds the most useful lessons.

Before CZ built the world's biggest crypto exchange, he was a student, a programmer, a manager, and a struggling startup co-founder. Here is what that long runway taught him — and what you can take from it.

HE ALMOST STUDIED THE WRONG THING

CZ went to McGill University to study biology — and hated it almost at once. Luckily he had picked computer science as a side subject, loved it, and switched to it completely after one semester. His takeaway was simple: pick something that genuinely interests you, and don't stay on a path just because you started it.

A DIPLOMA IS JUST A TOOL

In his first week at a job in Tokyo, CZ was sent to handle a client entirely on his own. He didn't panic — he took the chance and ran with it. He ended up never finishing university on campus; he completed his degree online, years later, "just for visa applications." Employers, he found, cared about what he could actually do — not where he had studied.

HE WATCHED A COMPANY BURN

One firm CZ joined had a beautiful office, luxurious Italian furniture, and experienced, previously successful founders. It also had no money coming in. Within a year it folded. His lesson was blunt: "Without revenue, a business will fail" — and past success can actually make things worse, because it makes people less willing to work hard.

THEN HE LEARNED TO LEAD

At Bloomberg in New York, CZ was promoted to lead 60 developers by the age of 25. He quickly found he couldn't check everyone's work himself — so he learned to build a team he could trust. His hiring rule, borrowed from management books: hire slow, fire fast, and only take on the very best.

BUILDING A COMPANY THE HARD WAY

In Shanghai, CZ co-founded an IT company whose entire plan collapsed — because the team had never checked whether the local rules even allowed foreign-owned firms to do that work. He learned to "assess each market as it is, not as you imagine it to be." And after pouring $200,000 of his own savings into keeping the company's payroll paid, he learned the lesson he puts in bold: cash flow is everything.

5 LESSONS FROM CZ'S 20S

1 Pick what genuinely interests you. CZ nearly stuck with biology out of habit. He switched to computer science the moment he realised he loved it — and it became his whole career.

2 Skills beat credentials. CZ finished his degree online, late, "just for visa applications." What you can do matters more than where you studied.

3 Say yes when you're thrown in the deep end. His career took off because he was handed a client alone in week one — and treated it as an opportunity, not a threat.

4 No revenue, no business. A firm with a gorgeous office and famous founders folded in a year because no money came in. Cash flow is everything.

5 Check the real rules before you commit. CZ's Shanghai company built a plan on a market it never researched. Assess things as they are — not as you wish them to be. This is also the number-one rule for crypto.

LINES FROM CZ WORTH REMEMBERING

- "Pick something that interests you."
- "There are always more opportunities in the future than there were in the past."
- "Without revenue, a business will fail."
- "Stick to fundamentals. No shiny objects."
- "Cash flow is everything."

After fifteen years of jobs and hard lessons, CZ owned a Shanghai apartment that had doubled in value. He sold it anyway — to buy bitcoin. He said he had "found a faster horse." That decision is where the next part of the story begins.

PART 4

How CZ Found Bitcoin

The leap into crypto — the tip, the bet, the crash, and the lessons every beginner needs.

THE STORY SO FAR

Parts 1–3 introduced Changpeng Zhao ("CZ"), founder of Binance, and his first 36 years — a frugal childhood, university, and fifteen years of work across Tokyo, New York and Shanghai. Part 3 ended with him selling a successful apartment to buy Bitcoin. This part is that leap: how he discovered Bitcoin in 2013, what it taught him about money, and the rough, broke, instructive two years before Binance existed.

A POKER-GAME TIP THAT CHANGED EVERYTHING

In July 2013, at a poker game, CZ's friend Bobby Lee told him about Bitcoin. His advice was careful, not hype: put about 10% of your net worth into bitcoin — there's a small chance it goes to zero, in which case you lose 10%; but a bigger chance it goes up 10x, in which case you double your money. Bitcoin was $70 at the time. Notice what CZ did next: he didn't rush to buy. He spent months reading the Bitcoin whitepaper, the forums, and the software first. Conviction is built by studying — not by buying.

WHAT IS MONEY, REALLY?

Studying Bitcoin pulled CZ into a bigger question he'd never examined: what is money? He realised the money we use is really debt — a promise from a government or bank. Good money, by contrast, should be scarce, durable, divisible, portable, interchangeable and easy to verify. The first time he actually used Bitcoin, he was amazed — "the same feeling as when I first saw a light bulb." His conclusion became the title of the book: the internet gave us freedom of information; the blockchain will give us freedom of money.

THE BIG LEAP — AND THE CRASH

CZ went all-in. He left the company he'd built for eight years (and lost all his equity in it). He sold his apartment and bought bitcoin — but his timing was poor. He bought on the way down, averaging about $600 a coin. Then the Mt. Gox exchange collapsed, and bitcoin crashed to $200 — where it stayed for eighteen months. CZ had lost two-thirds of his money. His own mother told him to stop "doing stupid things like startups and bitcoin." He held on anyway, because his belief was built before the crash — not during it.

"RISK IS PERSONAL"

People called CZ's leap reckless. His answer is one of the most useful ideas in the book: risk is personal. The same action carries different risk for different people — BASE jumping is deadly for a beginner and routine for an expert. CZ could take his bet because he had a safety net: if it all failed, he could return to a banking career. The right question is never "is crypto risky?" It is "is this risky for me, given my situation?" — and you should only ever risk money you could afford to lose completely.

THE WILDERNESS YEARS

Between going all-in and founding Binance, almost nothing worked. A mining-chip startup never launched. A bitcoin machine CZ bought arrived too late to be profitable. An ATM business was killed by scammers. A job as CEO of Mt. Gox China vanished when Mt. Gox collapsed — days before he signed. That's roughly eighteen months of dead ends. This is the part the success stories skip, and it's the most honest lesson here: failure is the path, not a detour.

A $30,000 MISTAKE

While moving coins between platforms, CZ accidentally sent 46 bitcoin — about $30,000 — to the wrong kind of address. A screen had scrolled and hidden the coin's name; he copied the wrong one. Crypto transactions can't be undone. He got lucky and eventually recovered it, but the rule he took away is one every beginner must learn: always check the address three times before you send. This single habit later shaped how Binance was designed to protect its users.

6 LESSONS FROM CZ'S LEAP INTO BITCOIN

1 Size your bet so you survive. Bobby Lee's rule: only ever risk money you could afford to lose completely. A capped slice — never everything you have.

2 Understand money before you buy coins. Learn what makes money good — scarce, durable, portable, verifiable — and you can judge any asset clearly instead of guessing.

3 Risk is personal. The right question is never "is crypto risky?" but "is this risky for me, given my income, savings and obligations?"

4 Big drops are normal. CZ was down two-thirds for eighteen months and still turned out right. A loss is not, by itself, proof you made a mistake.

5 Verify the address three times. CZ lost $30,000 to one mistyped screen. Crypto payments are final — the slow, careful check is your only safety net.

6 Don't expect overnight success. Even CZ spent about eighteen months in failed ventures before Binance. The wilderness is normal — plan to get through it, not around it.

LINES FROM CZ WORTH REMEMBERING

- "The internet increased our freedom of information. The blockchain will increase our freedom of money."
- "Risk is personal and varies for each individual."
- "There are always more opportunities in the future than there were in the past."
- "Take work seriously. Take life seriously. But don't take yourself too seriously."

- "Keep it and use it to teach the next person." — a stranger, handing CZ $500 at his first Bitcoin conference

PART 5

How the Binance Team Was Built

The unglamorous two-year grind that quietly assembled the team — and the system — behind the world's biggest crypto exchange.

THE STORY SO FAR

Parts 1–4 followed Changpeng Zhao ("CZ"), founder of Binance, from a frugal childhood to his 2013 leap into Bitcoin. Part 4 ended with his venture finally earning money by building exchange software for other companies. This part is what came next: a company called BijieTech — and the two years in which CZ, without quite realising it, hired and tested the exact team that would go on to found Binance.

A COMPANY CALLED BIJIETECH

In 2015, CZ partnered with a businessman, Mr. Pang, to build trading software for China's booming online exchanges for stamps, coins and cards. The lesson in how the deal happened: Mr. Pang had a real, painful problem — his technology kept failing — and CZ had fifteen years of genuine expertise to fix it. Real businesses are built on solving real pain, not on clever ideas.

THE MUTINY

CZ inherited 13 developers. During a critical system upgrade, their leader and most of the team refused to work — they thought they had CZ trapped and could force his hand. That night, at 10 PM, CZ fired the leader and nine others on the spot. He and the three who stayed worked through the night and finished by 7 AM. Years later, those three loyal developers became part of the Binance founding team and grew rich beyond their wildest dreams. The ten who played games got nothing.

BUILDING A TEAM OF A-PLAYERS

CZ hired the people who would become Binance — and he hired for work ethic and character, not fancy résumés. Allan had no impressive background; he just worked hard, and later designed the Binance trading screens that became the industry standard. Roger became Binance's first CTO. Heina ran all of HR, finance and legal single-handedly. Sunny became the project manager. CZ's rule: keep the admin team tiny, and pour your energy into the people and work that actually serve users.

QUITTING POKER

A friend told CZ bluntly: "You're wasting your life." CZ was winning at poker — and that was the trap. Mediocre success is deceptive: it gives you just enough reward to keep stealing your time. He tried to cut back to once a month. It failed. What finally worked was removing the trigger entirely — he left the poker group chats. "Out of sight, out of mind." You beat a sticky habit by changing your environment, not by relying on willpower.

GUARD YOUR TIME

CZ became ruthless about time. Five-minute meetings as the default. A written agenda for every meeting. No long documents, no fancy slideshows. He cut TV, news and gossip. His principle: "Small changes led to geometric differences over time." Tiny improvements, repeated for years, compound into an entirely different result — the same way money compounds.

LEADING UNDER PRESSURE

Twice the system nearly failed at a client's big public launch. Once they were saved by luck. The second time there was no luck: 20 furious executives stormed the office. CZ walked into the room alone, took the pressure, promised delivery in two days — and then his team pulled two all-nighters to make the promise true. A leader stands in front and absorbs the blow.

WHEN ONE DOOR SHUTS

In March 2017, the Chinese government banned all stamp exchanges. BijieTech's entire customer base vanished in two months. But CZ now had something valuable: a battle-tested team and a working exchange system. So he asked: why not start our own crypto exchange? That question became Binance. The disaster survived only because the strength had been built in advance — "when one door closes, another opens."

6 LESSONS FROM HOW CZ BUILT HIS TEAM

1 Hire for work ethic, not pedigree. Allan had no fancy résumé and designed the screen layout now used across the whole crypto industry. What people can do beats where they came from.

2 Reliability compounds into wealth. The three developers who simply did the work became founders of Binance and got rich. Being the dependable one — before anyone is watching — is a life-changing strategy.

3 To quit a habit, remove the trigger. Cutting back on poker failed. Leaving the group chat worked. Change your environment, don't just fight your willpower.

4 Small changes compound. "Small changes led to geometric differences over time." Tiny, consistent good habits — with time and money alike — are what build big results.

5 Watch out for mediocre success. A habit that is going slightly well is the hardest to quit and the easiest to lose years to. Audit your half-wins, not just your failures.

6 Build strength before the crisis. A regulation destroyed CZ's business overnight — he survived only because the team

and system were already built. In crypto, shocks always come. Prepare in the calm.

LINES FROM CZ WORTH REMEMBERING

- "Small changes led to geometric differences over time."
- "They do what you do, not what you say."
- "Mediocre success was deceptive."
- "Being polite isn't the goal. Being efficient is."
- "When one door closes, another opens." — the stamp-exchange ban that led to Binance

PART 6

How Binance Was Born

The six-week sprint that turned a battle-tested team into the world's biggest crypto exchange — and the lessons in it for anyone using crypto.

THE STORY SO FAR

Parts 1–5 followed Changpeng Zhao ("CZ"), founder of Binance, from a frugal childhood to building exchange software for other companies. Part 5 ended with a Chinese government ban wiping out that business overnight — leaving CZ with a tested team and a working exchange system, and one question: why not start our own crypto exchange? This part is the answer — the astonishingly fast birth of Binance itself. CZ first heard the word "ICO" on 1 June 2017. Binance went live on 14 July 2017. Six weeks.

EVERY INVESTOR SAID NO

CZ first tried to raise money the normal way — from venture-capital investors he knew in Shanghai. Every one of them said no: "the space is saturated," "you won't succeed." They were not wrong that the market was crowded. But a "no" about a crowded market is not a "no" about you. In a crowded market the winner is decided by execution, not by the idea. CZ couldn't raise from investors — so he raised from his future users instead, through an ICO.

LEARNING WHAT AN ICO WAS — IN TWO WEEKS

An ICO ("initial coin offering") raises money by creating a new token and selling it to the public. CZ had never heard the term — until a friend raised $15 million with one in nine days, using only a 10-page document and a website, with no product at all. CZ thought: if he can do that with nothing, I can do it with a real product and a real team. Two weeks after first hearing the word, he told his team: we're doing an ICO — write the whitepaper in three days, raise $15 million in two weeks, start now.

BNB: AN HONEST TOKEN

For the ICO, Binance created a token called BNB. Its design was the opposite of how most bad tokens are built:

- BNB was clearly not equity — buyers were told exactly what they were getting.
- BNB had a real use: holders got a discount on trading fees.
- Binance committed to "burn" (permanently destroy) half of all BNB over time.
- It was a fair launch: no one — not even the team — got free tokens. Everyone paid.

The single most important question to ask about any token: who got free coins? Big free insider allocations are how most scams work.

THE NAME, IN FIVE SECONDS

A marketing expert named Heyi, helping with the whitepaper, suggested the Chinese name bi an — "coin safe." CZ and his product manager said "sounds good" and moved on in seconds. Heyi was stunned: shouldn't you think about it? The lesson isn't "always decide instantly." It is: decide fast on things that are cheap to change, and save your deliberation for things that aren't.

THE TWO KARAOKES

CZ pitched friends on the ICO at two karaoke bars. The savvy investors said no. Less experienced friends said yes — and "none of them knew what they had invested in." It worked out; the token went up. But that is survivorship bias — it worked this time. Investing in something you can't explain, in 30 minutes, because a friend is pushing, is exactly how most people lose money. Never invest in what you cannot explain.

CRASHED SERVERS — AND A SELLOUT

The ICO ran in five sessions over two weeks. The very first session crashed the servers within a minute. CZ didn't hide it — he explained the cause honestly, admitted the criticism was fair, and gave affected users extra tokens. The other four sessions ran smoothly, and the sale "sold out in seconds." How you handle a public failure — admit it, explain it, fix it — can build more trust than never failing at all.

WHEN RIVALS ATTACK

Competitors paid for negative articles about Binance and CZ. Two big exchanges even blocked customer withdrawals to stop money flowing to Binance. It all backfired: attacking Binance put its name in front of huge audiences and made it look like a serious threat. CZ's lesson — for a new company, the thing to fear is not criticism, it's being ignored. But his response was not to attack back. He made a firm rule: never speak badly about competitors. Concentrate on yourself.

THE $15 MILLION LUNCH — AND A $24 MILLION SURPRISE

Binance raised $15 million. The team celebrated with takeout food, eaten standing up at their desks — raising money changed nothing about how they behaved. CZ gave every employee a bonus of one month's pay in BNB, at 10 cents per token. He forgot the finance team had included him too. Years later he found an account with 50,000 BNB — a bonus worth $24 million he didn't know he had, and still hadn't touched. Anyone who held that 10-cent bonus is now wealthy. But not everyone held — some sold early and walked away from a fortune. Conviction and patience are what turn a small position into real wealth.

HIRING HEYI: THE PROMISE SHE KEPT

CZ wanted Heyi, one of China's top marketing leaders, to run Binance's marketing. She had a safe, high-paid job at a company about to go public. He pitched her honestly — and used a classic closing line: "get on the rocket before it lifts off." She agreed, on a phone call, with no contract. The next day, BNB's price dropped 40%. Every signal told her to back out. She resigned from her safe job anyway and joined Binance — keeping a promise after the facts had turned hard against her. That temperament builds real things, and it only worked because she had done her homework and believed in the project. (Worth noticing: "act now before the price moves" is also the favourite line of scammers. It worked honestly here, between friends — but treat that pressure as a warning sign whenever it is aimed at you.)

8 LESSONS FROM HOW BINANCE WAS BORN

1 A "no" about a crowded market is not a "no" about you. When a space is crowded, execution decides the winner — not the idea.

2 Ask of every token: who got free coins? Fair launches, where everyone pays the same, are far safer than ones with big insider allocations.

3 A token needs a real use. "What does this token actually do?" is a question that filters out most bad investments.

4 Never invest in what you can't explain. The karaoke friends got lucky; most people in their place do not.

5 There is no "price to infinity." A token's value is limited by the finite number of people who actually want it.

6 Handle failure in the open. Admit it, explain the cause, make people whole. Honesty after a mistake builds trust.

7 Conviction and patience build wealth. The 10-cent BNB bonus made millionaires — but only of those who held.

8 Beware "act now or miss out." It is a real pressure tactic — and the favourite script of crypto scams.

LINES FROM CZ WORTH REMEMBERING

- "You can't let a few no's throw you off."
- "What startups should dread most isn't negative publicity, it's a lack of publicity."
- "All PR is good PR." — yet his rule was still: never attack your peers.
- "You need to get on the rocket before it lifts off." — said honestly to a friend; the same words are used by scammers.
- "You can only make the best decision based on the available information at the time."

PART 7

Protecting Users: How Binance Earned Trust

The eight weeks after launch — running a crypto exchange in chaos, and the one value that built it: protect users.

THE STORY SO FAR

Parts 1–6 followed Changpeng Zhao ("CZ"), founder of Binance, from a frugal childhood to launching the Binance exchange on 14 July 2017 — a technical success, but with the BNB token's price sinking and users complaining. Part 7 is what happened next: the chaotic first eight weeks of running the exchange. Threaded through every part of it is one idea, which becomes the title of a section and the spirit of the whole book: protect users.

THE VOLUNTEER ARMY

During the ICO, ordinary advanced users — not employees — started answering other users' questions in Binance's chat groups, for free, because "they wanted Binance to succeed." CZ formalised them as the Binance Angels. Crucially, he rewarded them with status, access and recognition — not money. Paying a volunteer turns them into an underpaid employee and kills the passion. Other exchanges copied the model and failed, because the real secret can't be copied: you have to genuinely treat users well. An ambassador stakes their own reputation on you — "bad service can turn ambassadors into adversaries."

GIVING BACK WHAT BELONGS TO USERS

Holding NEO tokens automatically generates a second token, GAS. Every exchange at the time quietly kept the GAS — even though it was generated by coins the users owned. Binance gave it back. It cost income in the short term, but NEO users moved their funds to Binance and brought other assets with them. Anyone can say "we protect users." Giving back money you could have silently kept proves it — because it costs you something.

THE 24-HOUR PROMISE

In 2017, crypto exchanges had terrible support — a ticket might wait two months. CZ, who had suffered this himself, made a rule: every support request answered within 24 hours, no exceptions. Keeping it was brutal as Binance exploded in size. The clever fix: a daily meeting between the support and product teams to fix problems at the root, so users wouldn't need to contact support at all. A complaint isn't a chore to close — it's a signal showing you what to fix.

DOING THE HARD PART FOR USERS

In August 2017 bitcoin "forked," splitting into BTC and a new coin, bitcoin cash (BCH). Claiming the new BCH was technically complex — "hard even for techies." Most exchanges made it the user's problem. Binance announced a plan to handle the fork for users, just four days after launching. This is what "protect users" means in practice: find where the user faces difficulty or risk, and move that burden inside your own walls.

"TO DA MOON" — AND AN HONEST "I DON'T KNOW"

For three surreal weeks the BNB price rose almost every day, peaking on 24 August 2017 at $2.90 — 29 times its ICO price. Asked what caused it, CZ's answer is the most valuable line in the chapter: "I don't know… correlation does not imply causation." If the founder of a token that rose 29x cannot say why, no influencer can explain yesterday's price move either. Most market "analysis" is a story invented after the fact.

COURTED BY THE INVESTORS WHO SAID NO

In Part 6, every venture-capital investor rejected Binance. Now — with a live exchange and a soaring token — the most powerful VC in China and a Singapore sovereign-wealth fund were both chasing CZ. Nothing about the idea had changed; only the evidence had. Results convert skeptics; pitches don't. (Both deals later fell through when China-ban rumours hit — even at peak momentum, outcomes stay hostage to regulation.)

RECOVERING A STUDENT'S TUITION — AND WHY THE TEAM WORKED

A young man accidentally sent unsupported coins — his college tuition money — to his Binance address. Recovering them cost more in labour than the coins were worth and earned Binance nothing. CZ did it anyway: each such choice sets a precedent for what kind of company you are. When an employee's husband, upset at her hours, asked why the team worked so hard, CZ told the "cathedral" story: three masons do identical work, but one is "laying bricks" and one is "building a cathedral." Meaning transforms work — though CZ also thanked the team's families for the real cost it carried.

WHEN A GOOD IDEA GETS GAMED

Binance let the community vote each month on which coin to list. It sounded fair and democratic. It failed fast: once a listing was worth a fortune, projects bought votes, users built bots, and founders fought publicly. Binance killed it. The lesson: any valuable system that can be gamed, will be gamed. Before trusting a vote, an airdrop or a points programme, ask not "is this nice?" but "how will this be gamed once real money flows through it?"

ACTING ON A HUNCH

In late August 2017, rumours grew that China would ban crypto. With no confirmation, CZ moved Binance's 200 servers out of China — an enormous, risky operation finished on 1 September. Three days later, China banned crypto exchanges. Asked how he knew, CZ was honest: "I didn't. It was just a hunch." The real lesson: when being late is catastrophic and being early is merely costly, you act before certainty arrives — because certainty arrives too late.

8 LESSONS FROM HOW BINANCE EARNED TRUST

1 Protect users — and truly do it. Saying it isn't enough. It has to be real, and it has to cost you something. That is what can't be copied.

2 Reward volunteers with status, not cash. Paying a volunteer turns love into a transaction — and kills the very thing that made them valuable.

3 Give back what is rightfully the user's. Binance returned the GAS tokens every other exchange quietly pocketed. A costly gesture is a believable one.

4 Correlation is not causation. If the founder of a 29x token can't say why it rose, no influencer can truly explain a daily price move.

5 Ask "how will this be gamed?" Any valuable system — votes, airdrops, points — gets attacked by bots and paid actors once real money flows through it.

6 Move difficulty from the user to yourself. That is what protecting users actually means: take the hard, risky part inside your own walls.

7 Results convert skeptics; pitches don't. The investors who said "you won't succeed" came chasing once Binance had real traction.

8 Act on a hunch when being late is catastrophic. CZ moved servers out of China on a rumour — three days before the ban. Certainty arrives too late.

LINES FROM CZ WORTH REMEMBERING

- "You have to treat your users well… And you have to truly do it."
- "Bad service can turn ambassadors into adversaries."
- "Correlation does not imply causation." — on why BNB's price soared: "I don't know."
- "We are not just making an exchange, we are helping to increase the freedom of money for everyone in the world."
- "Sometimes, you have to read the tea leaves and act on hunches."

PART 8

The $6 Million Decision

How a banned, six-week-old company chose its users over its own treasury — and what it means for anyone in crypto.

THE STORY SO FAR

Parts 1–7 followed Changpeng Zhao ("CZ"), founder of Binance, from a frugal childhood to launching the exchange in July 2017 and running its chaotic first weeks. Part 8 covers two chapters — "China Ban" and "Tokyo" — and one continuous story: the day China outlawed crypto, the decision that nearly emptied Binance's bank account, and the company it chose to become because of it.

BANNED OVERNIGHT

On 4 September 2017, seven Chinese government ministries released one memo that banned crypto exchanges, mining and ICOs — an entire industry made illegal in a day, with no warning. Panic followed. BNB's price fell from $2.20 to $0.60 — a 73% crash in a single day. This is the clearest lesson in the book about regulatory risk: in crypto, a government can erase the value of your holdings, or your whole business, overnight. Never hold more than you can afford to lose to one ruling.

FLEEING IN THE NIGHT

Hearing the crackdown rumours — confirmed by two separate sources — CZ and two colleagues fled China that night. One woke her mother, who had a broken leg, to say goodbye with no return date. Another left a two-year-old son, telling her husband only "I am not sure" how long. The lesson buried in the drama: regulatory risk is not an abstraction on a chart — it lands on real people, fast. And act on corroborated signals: one rumour is noise, two independent confirmations are worth moving on.

THE $6 MILLION DECISION

The ban left four other ICO projects on Binance with tokens now worth less than users had paid — and those projects couldn't refund anyone. The gap for Binance's users was about $6 million. These were not Binance's projects and not its legal obligation. Binance was six weeks old, not yet profitable, and $6 million was over 40% of its entire treasury. CZ asked the team for objections. There were none. He said: "Let's do it." Binance made those users whole. Within a month its user base went from 35,000 to 120,000 — and it has been profitable ever since.

DO THE RIGHT THING, NOT THE EASIEST THING

From that decision CZ drew the principle the whole book is built on: "In dealing with users, always do the right thing, not the easiest thing." Notice the wording — not "the right thing, not the wrong thing," but "not the easiest thing." The wrong choice almost never looks wrong. It looks easy — cheaper, faster, fully defensible. So treat the feeling of "this is the easy option" as a warning light.

A NEW HOME IN TOKYO

Binance moved its whole team — not just its servers — out of China, to Tokyo, because Japan had recognised bitcoin as legal tender and welcomed exchanges. The lesson: when a government draws a hard line, get genuinely on the right side of it — don't dance on the line hoping enforcement is lazy. And choosing where to operate, by a country's regulatory attitude, is a real strategic decision — one worth weighing for any project you trust your money to.

THE $20 MILLION BRIBE

As Binance became a top-10 exchange, projects begged to be listed. One offered CZ a $20 million bribe to list its coin. He refused — and blacklisted the project, because a team willing to pay for a good verdict has just admitted it can't earn one. Then he did the wiser thing: he built a system — a web form, no direct contact between the listing team and outsiders — so the temptation could never reach the decision again. The lesson for you: a coin being listed on an exchange is not proof it is safe. Listings can be bought.

DON'T CHASE MONEY — LEAVE VALUE ON THE TABLE

CZ's philosophy of wealth: "Instead of chasing money, provide value. If you can deliver a value of ten, only take eight" — or even five — "and do that consistently." You don't build wealth by squeezing the most out of one deal; you build it by leaving value on the customer's side of the table, so they keep coming back. Be generous per person, and win on loyalty and scale.

CAPITAL IS ICING, NOT FIREWOOD

When the China ban hit, the investors courting Binance went quiet. CZ wasn't bitter — he quoted a Chinese saying: investors won't give you firewood when you are freezing; they only offer icing on the cake after you already have a cake. Capital funds strength and vanishes in a crisis. The lesson: don't depend on it. Binance survived on its own revenue and frugality — and that independence is exactly what let CZ later negotiate from strength, or walk away.

HOW RESTRICTIVE RULES KILLED JAPAN'S EXCHANGES

Japan's local exchanges lobbied for restrictive rules — to keep the foreign competitor (Binance) out. It worked, and it destroyed them: by strangling their own market, they strangled themselves. In October 2017, five of the world's top-10 exchanges were Japanese. A year later, none were in the top 50. Competing by walling off the market, instead of growing it, is slow suicide.

8 LESSONS FROM THE CHINA BAN & THE MOVE TO TOKYO

1. Regulation can erase an industry overnight. One memo banned crypto in China; BNB fell 73% in a day. Never hold more than you can afford to lose to a single ruling.

2. Do the right thing, not the easiest thing. The wrong choice almost always disguises itself as the easy, cheap, comfortable one. Treat “easy” as a warning.

3. Judge a company by what it has done at real cost to itself. Binance spent 40% of its treasury to protect users it did not owe. That is the truest signal of trust.

4. A listing is not an endorsement. A $20 million bribe was offered to one exchange — others said yes. “Listed on a big exchange” is not due diligence.

5. Don't chase money — provide value. Deliver ten, take eight. Generosity per person, plus scale, is the real engine of lasting wealth.

6. Capital is icing, not firewood. Investors fund strength and vanish in a crisis. Don't depend on them — independence is leverage.

7. Protectionism is slow suicide. Japan's exchanges lobbied to wall out rivals; a year later none were in the global top 50. Grow the field, don't fence it.

8. Aim to do “your best,” not to be “the best.” An internal standard you control beats forever comparing yourself to others.

LINES FROM CZ WORTH REMEMBERING

- “In dealing with users, always do the right thing, not the easiest thing.”
- “Protect your users, and you will be successful beyond your wildest dreams.”
- “Instead of chasing money, provide value.”
- “VCs won't give you firewood when you are freezing in the snow; they will only offer icing on the cake after you have a cake.”
- “I never aimed to be 'the best' at anything; I just aimed to do 'my best.'”

PART 9

Reaching Number One

Binance becomes the biggest crypto exchange in the world — and discovers that getting to the top is the start of a harder test, not the end of one.

THE STORY SO FAR

Parts 1–8 followed Changpeng Zhao (“CZ”), founder of Binance, from a frugal childhood through the company's chaotic first months, the day China banned crypto, and the decision to spend 40% of the treasury protecting users. Part 9 covers one long chapter — “Number One” — running from December 2017 to March 2018: the weeks when Binance reached the very top, and everything that arrived with the summit.

THE SUMMIT — AND THE REAL REWARD

On 17 December 2017, Binance became the world's number-one crypto exchange. CZ's first reaction was not a celebration — it was a message to his tech team: “Make sure we have enough servers!” A ranking, he understood, is just a scoreboard. What gave him real satisfaction was different: messages from users worldwide. One could finally afford a medical procedure for his mother. Another, in Africa, said paying a bill had gone from three days to three minutes. That pattern — ordinary people getting real financial access — became Binance's mission statement, and the title of this book: increasing the freedom of money. The lesson: a mission is found in real user impact, not invented on a whiteboard.

STANDING UP TO A GIANT

On the same day, the venture firm Sequoia — having earlier walked away — wanted back in at an old, low valuation. Binance had since grown more than tenfold. When CZ said the price had to be updated, Sequoia sent four boxes of legal documents: a lawsuit. Conventional wisdom says a lawsuit from a powerful VC kills a startup. CZ fought anyway, to protect his existing shareholders from a bad deal — and in 2019 the court ruled fully in Binance's favour. He could only afford that fight because Binance was already profitable and needed no VC money. Years later he invited Sequoia into his own fund: enmity converted to friendship. Two lessons: independence is what makes conviction affordable, and resolved conflicts should be allowed to truly end.

HELPING THE POLICE — BY CHOICE

On New Year's Eve 2017, a US Homeland Security agent emailed CZ for help tracing funds from a hack. None of Binance's team had ever dealt with law enforcement — but they helped, and CZ made it policy: “From this incident forward, we have always cooperated with legitimate law enforcement requests.” His reasoning was self-interested in the right way: a legitimate industry wants the criminals who give it a bad name removed. Note the word “legitimate” — cooperating with genuine crime-fighting is different from contesting bad regulation. They are not the same thing, and a trustworthy company can do both.

WHEN YOUR OWN SUCCESS BREAKS YOUR SYSTEMS

Over the 2017–18 holidays, Binance was getting 300,000 new sign-ups a day. The systems couldn't cope — ID checks, wallet addresses and support all jammed — so registrations were paused. Reopened for a single hour, they drew 240,000 sign-ups, and had to close again. “A good problem to have,” CZ wrote, “but still a very costly one.” The lesson: if what you build works, your own success becomes your next bottleneck. The unglamorous plumbing — verification, support, capacity — is what breaks first. Build slack into it before the wave arrives.

A 32-HOUR CRISIS, HANDLED IN THE OPEN

The day after a flattering Forbes article, Binance hit data corruption and had to halt all trading — for 32 hours, its longest outage ever. CZ's response is a crisis-communication masterclass: be transparent (announce the halt, give honest estimates, revise them publicly when they worsen), keep a fixed rhythm (an update every two hours), stay personally present — he even re-tweeted a joke mocking him, because “if the CEO is online and still laughing, the problem seems less daunting” — and speak directly, bypassing the PR team. Transparency, he found, builds trust precisely when the news is bad.

BECOMING A PUBLIC FACE

Now number one, CZ was invited onto Bloomberg TV and photographed for a Forbes cover feature — which crowned him a “billionaire,” though his own wallet held only bitcoins bought in 2014 and Binance had had no cash-out. (“Forbes went by estimates.”) He went to both in his Binance hoodie — partly frugality, partly strategy: “Always advertising.” He found the makeup and posing faintly absurd, and that is the lesson: a founder's public face can become a brand asset, but treat fame as a tool you use, not an identity you adopt. Also note the TV headline — “Zhao: Warren Buffett is wrong on cryptocurrency” — squeezed from a seven-minute interview. Media coverage is shaped by the outlet's incentives, not yours.

FAME IS A TOOL, NOT AN IDENTITY

After the Forbes cover, a congressman in Taiwan printed the article for a government meeting — and from then on CZ “rarely had to introduce myself.” That is what a reputation is: trust, compressed, arriving in the room before you do. But CZ kept the fame in proportion. He still felt like the same person (“nothing had changed”), still found being swarmed for selfies baffling, and — meeting football legend Bobby Charlton, each man unknown to the other — concluded that fame is entirely domain-specific. Worth copying from Taiwan: his first meeting there was with the volunteer student "Binance Angels," who educated him on the local scene. A community of volunteer educators both spreads the mission and keeps the founder learning.

WHEN A REGULATOR TURNS UP THE PRESSURE

Japan's financial regulator emailed asking where Binance operated and whether it must register. Then team members were apparently followed — a tail who flipped his jacket inside-out to change colour — and a camera appeared at a colleague's door. CZ was careful and honest: "To this day, I don't know if it was a coincidence." His response was neither panic nor denial. He paused the office renovations — stopped sinking cost into an uncertain place — and began visiting other governments to build options. The lesson: a friendly country can turn. Don't anchor yourself with sunk cost; keep the ability to move, and build alternatives before you need them.

CHOOSING A BETTER HOME

CZ met an investor, Vertex — a subsidiary of Temasek, Singapore's state wealth fund. He wanted the investment, but he wanted something more: an introduction to Singapore's regulators. So he proposed creating "Binance Singapore" and having Vertex invest in that — tying the investor's profit directly to Binance's regulatory success in Singapore. The lesson: choose partners for the doors they open and the incentives you can align, not just for their money. Don't hope a partner will help you — structure things so that helping you is how they help themselves.

THE CEO WHO BUILT THE FIX HIMSELF

With customer-support backlogs stretching to two weeks, CZ — CEO of the world's biggest exchange — "installed Python" between his Bloomberg and Forbes appointments and personally wrote a bot to triage tickets. He named it cs_bob. He is honest that it was crude ("not real AI, just a database search script") and proud, not precious, when the team replaced it with something better. The lesson: when an urgent, unglamorous, mission-critical problem is going unsolved, the leader picks up the tools and starts. A founder's rough fix is a catalyst to break the inertia — built to be surpassed, not to be a monument.

NAMING YOUR CULTURE: "HARDCORE"

On a team ski trip, colleagues skiing for the first time kept falling and kept climbing back up until the slopes closed at 9 PM. A team member, James, said: "I know a word to describe our team — hardcore." It became an official core value, used to guide hiring. Notice the order: the value was observed in real behaviour, named by a team member, and only then made official. That is how authentic culture is built — discovered from the bottom up, not invented in a boardroom. (And every value needs a guardrail: "resilient" must not quietly become "burn yourself out.")

READING WHAT A COUNTRY WILL REALLY DO

In London, CZ was warmly hosted inside Parliament by a genuinely curious Lord — every surface signal was positive. Yet he left certain the UK "wouldn't be an early adopter of blockchain." Why? He read the structural incentive: a country built on a huge, established finance industry has too much to protect to move fast. The lesson — and it is a powerful analytical skill — is to look past warm words and friendly individuals and ask the cold question: what do the powerful interests here have to lose? That predicts behaviour far better than anything said over dinner.

11 LESSONS FROM "NUMBER ONE"

1. A mission comes from real users. A ranking is a scoreboard; the mission is the actual change in a real person's financial life.

2. Reaching the top is a harder test, not the end of one. Lawsuits, regulators, crushing demand and fame all arrive with the summit.

3. Independence makes conviction affordable. Binance could fight Sequoia only because it was profitable and needed no one's money.

4. Let resolved conflicts truly end. A grudge is a cost you keep paying; an old rival can become an ally.

5. "The government" is not one thing. Cooperate with legitimate crime-fighting; engage with regulation; protect yourself against ambiguous pressure.

6. Your own success is your next bottleneck. Build slack into the unglamorous plumbing before the wave hits.

7. In a crisis: be transparent, keep a rhythm, stay present. Honesty builds trust precisely when the news is bad.

8. Fame is a tool, not an identity. Use it as free advertising and compressed trust — but keep "nothing has changed" as the truth.

9. Read structural incentives, not surface signals. Predict a country or partner by what its powerful interests have to protect.

10. Leaders pick up the tools. When an urgent, unglamorous problem goes unsolved, build the rough fix yourself to break the inertia.

11. Discover your culture; don't invent it. Real values are observed in behaviour and named from the bottom up.

LINES FROM CZ WORTH REMEMBERING

- "We are helping to increase the freedom of money for people all around the world."
- "From this incident forward, we have always cooperated with legitimate law enforcement requests."
- "Fixing issues in a transparent way also builds trust."
- "If the CEO is online and still laughing at jokes mocking him, the problem seems less daunting."
- "I didn't feel rich. Nothing had changed."

PART 10

Going Global

Now the world's biggest exchange, Binance stops fighting to survive and starts building for a whole industry — a regulatory world tour, a free crypto school, and an ecosystem of investing and giving.

THE STORY SO FAR

Parts 1–9 followed Changpeng Zhao (“CZ”), founder of Binance, from a frugal childhood to building the world's number-one crypto exchange. Part 10 covers the long “Malta” chapter — roughly March 2018 onward — when CZ became, in his own words, “a crypto salesman”: travelling the world to court governments, and building Binance Labs (investing), Binance Academy (free education), and Binance Charity (giving).

THE REGULATORY WORLD TOUR

CZ travelled the globe looking for a home for Binance — Malta, Singapore, Bermuda, Togo, Uganda. Malta's Prime Minister tweeted a public “Welcome to Binance” without the two ever having spoken. But a tweet is not a law: Malta's framework was “still being discussed,” and Binance never actually got licensed there. Two lessons. A government's warm welcome is momentum, not infrastructure — always ask whether there is an actual law and licence behind the enthusiasm. And when Japan's regulator issue was reported by a newspaper before Binance even received it, CZ publicly called the report “FUD” — then it turned out to be real. Be careful with confident public denial: in crypto, sometimes the bad news is true.

A FRIENDLY GOVERNMENT IS NOT ENOUGH

In Bermuda, the premier passed the world's first crypto law and signed a deal with Binance — yet “the local banks wouldn't work with us,” so no exchange could launch. The same happened in Singapore. The lesson is one every crypto user should know: a crypto business sits on two layers — the government/regulator layer and the banking layer. A welcoming government with hostile banks is a dead end. The most charismatic leader cannot run your settlement rails.

GROW THE WHOLE INDUSTRY

Binance was now the largest exchange “by a considerable margin.” CZ drew a counter-intuitive conclusion: taking customers from small rivals wouldn't move his numbers — only growing the entire industry would. So he treated competitors as “peers,” not enemies, and travelled the world advocating for crypto. “I became a crypto salesman.” The lesson: once you are a leader, your interests and the whole field's interests merge — the generous move and the smart move become the same move. (Honest note: when the biggest company appoints itself the industry's advocate, “growing the industry” and “growing Binance” are hard to separate — CZ was a sincere, but interested, salesman.)

BACK MISSION-DRIVEN FOUNDERS

CZ set up Binance Labs (later YZi Labs) to invest in crypto startups, on three principles. Stick to fundamentals — ignore fancy business models; look at product, users, revenue, team. Invest in mission-driven founders — “money-focused founders often falter after a medium level of success,” because once they have the money the fuel is gone; mission-driven founders never “finish.” Bet long-term, get in early, and hold — most bets fail, but the few winners more than pay for them. These are sound tests for judging any project — or any person.

BINANCE ACADEMY — FREE, HONEST EDUCATION

This is the heart of the chapter. CZ saw that crypto information online was “scattered rather than systematic,” that KOLs used “click-bait titles,” and that “self-proclaimed experts were damaging the industry's reputation by flooding gullible users with spammy and sometimes fraudulent get-rich-quick schemes.” His answer: Binance Academy — a portal covering basics to advanced topics, “comprehensive, systematic, and balanced,” and “free to the public.” It launched in August 2018 and grew from articles to video to full courses. The key word is balanced: education honest about risk is what makes it teaching, not marketing. The deepest point — Binance Academy was “the precursor to Giggle Academy,” the free school for underprivileged children CZ built years later, after leaving Binance. Free education was the conviction that outlasted everything.

FINANCIAL ACCESS IS INFRASTRUCTURE FOR FAIRNESS

In Africa — where “only 11% of Africans” had bank accounts — CZ said plainly: “My goal wasn't revenue.” The point was access: people could “use crypto with just an app, skipping banks altogether.” Driving through Togo, he passed a gold-furnished presidential palace surrounded by homes with no running water, and drew the chapter's sharpest line: “Inequality is large in countries where people don't have financial access.” The absence of financial access doesn't just accompany inequality — it manufactures it. That is the serious, non-commercial reason financial literacy matters.

READING PEOPLE

Binance invested in Trust Wallet because its founder was “focused on users, not money” — and it became one of Binance's best investments. Two other hires went wrong: one “loved attention,” one was careless with detail (“broad strokes first, details later”) — and CZ notes both warning signs were visible from the start. One later altered a document to deceive him, crossing “an ethical line.” The lesson: read character early, take red flags seriously, and back the people focused on the work itself. (Honest note: this is CZ's account, written after those two became witnesses against him in a US criminal case in which CZ himself pleaded guilty and served prison time — a memoir's most interested testimony. Read it, like any one-sided account, with care.)

REFUSING THE PROFITABLE GIMMICK

A rival, Fcoin, launched “Transaction Mining” — it paid users to trade, handing back more than it earned. CZ did the math: “for $1 of revenue, the platform must pay out $3.” Within a week Fcoin had the #1 trading volume in the world — all of it generated by bots harvesting the subsidy. CZ refused to copy it, was accused of “jealousy,” and stood his ground. In 2020 Fcoin collapsed, insolvent, its founder allegedly vanishing with $100 million. CZ's five-point warning is a checklist for any “exciting new model”: is it a disguised token sale? unjustified valuation? no real business model? trivially copyable? borderline Ponzi? And the harder lesson: being right about fundamentals often means looking wrong while the bubble inflates.

A NEW KIND OF HACK

Hackers stole users' API keys from third-party platforms users had connected to their accounts. The keys couldn't withdraw money directly — so the hackers pumped a tiny coin (SYS) and cashed out through other accounts. The lessons for every user: your security is only as strong as the weakest third-party service you connect to your account; attackers assemble an attack from several harmless-looking permissions; and small, low-liquidity coins are easy to manipulate. Binance's response was a model: detect, pause withdrawals, reset keys, compensate the innocent traders caught in the crossfire, and fix the whole class of vulnerability.

GIVING, DONE TRANSPARENTLY

During the 2018 crypto winter — months after Japan's regulator pushed Binance out — CZ donated $1 million to Japanese flood relief anyway: “This was about the people, not governments.” He then built the Binance Charity Foundation around one idea he'd written about back in 2014: use blockchain to track every donation to the end beneficiary, solving the problem that “80% of donations often ended up in middlemen's administrative costs.” It funded school lunches, schools, and disaster relief across Africa and beyond. The chapter's closing principle: “If you want your employees to take care of your users, you must take care of your employees.” Care flows in a chain.

11 LESSONS FROM “MALTA”

1. A welcome is not a framework. A friendly tweet or minister is momentum — ask whether a real law, licence, and banking exist behind it.

2. A friendly government is not enough. Crypto needs both the regulator and the banks. Hostile banks kill the plan regardless.

3. Be careful with confident public denial. In crypto “FUD” is overused — sometimes the alarming report is simply true.

4. Grow the whole field to grow yourself. At the top, your interest and the industry's interest become the same thing.

5. Back mission-driven people. Money-focused founders coast after a medium win; a mission is a fuel that never runs out.

6. Honest education is infrastructure. The alternative to good education is not silence — it is predatory “experts.” Be comprehensive, systematic, free, balanced.

7. Financial access is infrastructure for fairness. Its absence does not just accompany inequality — it manufactures it.

8. Refuse the profitable gimmick. A model that pays out more than it earns is insolvent by design — even if it posts the #1 metric.

9. Being right can mean looking wrong for a while. Fundamentals are vindicated only after the bubble pops.

10. Your security is your weakest connected service. Every third-party app linked to your account is a new door.

11. Care flows in a chain. Take care of your team, and your team will take care of your users.

LINES FROM CZ WORTH REMEMBERING

- “We needed to grow the entire industry to grow ourselves.”
- “Inequality is large in countries where people don't have financial access.”
- “Invest in founders and teams with a vision beyond money.”
- “We were committed to long-term building over short-term gimmicks.”
- “If you want your employees to take care of your users, you must take care of your employees.”

PART 11

Building Through the Winter

Crypto crashes to its lowest point ever — and that is exactly when Binance builds almost everything: new products, a new blockchain, and a survival test by its worst-ever hack.

THE STORY SO FAR

Parts 1–10 followed Changpeng Zhao ("CZ"), founder of Binance, from a frugal childhood to the world's biggest crypto exchange and a global ecosystem of investing, education and giving. Part 11 covers 2018–2019 — above all the brutal "crypto winter" of 2019, when Bitcoin collapsed from $20,000 to $3,100. In that freezing market Binance builds Launchpad, Futures, P2P, BUSD and its own blockchain, buys CoinMarketCap, and survives a $40 million hack.

KEEP YOUR HEAD DOWN AND BUILD

January 2019 was the bottom. Bitcoin had crashed to $3,100, "Bitcoin is dead" headlines were everywhere, and most newcomers had quit. CZ's instruction to his team was five words: "keep our heads down and build." Market noise — falling prices, doom headlines — is real, but you cannot act on it; what you ship, you can. CZ also saw a hidden gift in the winter: "when the tide goes out, you see who's been swimming without pants." A bull market hides weak projects; a bear market reveals what is actually solid. The lesson for you: judge a project by how it behaves in the winter, not the summer.

LAUNCHPAD — "SAFER" IS NOT "SAFE"

In the depths of the winter Binance launched Launchpad, a place for new token sales. Old-style ICOs let "anyone" issue a token, so scammers and "rug pulls" flooded in. Launchpad added a filter: due diligence on projects, plus a requirement for longer vesting (lock-up) schedules — which honest long-term teams happily accept and "short-term money grabs" reject. That is a clever filter: a rule the good guys are fine with and the bad guys cannot stand. Honest note: a vetted token sale is still a speculative bet. "More legitimate than the alternative" and "a good idea for you" are not the same claim.

THE $40 MILLION HACK

In May 2019 hackers stole 7,000 bitcoins — worth $40 million — draining Binance's entire "hot wallet." But Binance kept only 2% of its Bitcoin in that internet-connected hot wallet; the other 98% sat offline in "cold" storage. So a total hot-wallet theft cost 2% of the BTC, not everything. This is the most important security idea for any user: you cannot prevent every breach, so store your funds so that no single breach can take it all. CZ tweeted within the hour, took responsibility, paused withdrawals, completed "a year's security improvements in one week," and covered the entire loss — no user lost a cent. Trust afterwards was higher than before.

SHOULD THEY REWIND THE BLOCKCHAIN?

After the hack, someone suggested a radical fix: pay miners $40 million to "roll back" the Bitcoin blockchain and erase the theft. CZ floated the idea publicly — and the backlash "was greater than the hack itself." Why? Bitcoin's whole value rests on immutability: the ledger cannot be rewritten by anyone, ever. Recovering the $40M would have destroyed the very property that makes bitcoin worth holding. CZ dropped the idea. The lesson: a blockchain that can be rewritten for a rich enough party is worthless — and the network's refusal was decentralisation working exactly as designed.

HACKED BY A 16-YEAR-OLD

Three months later, the web domain for Binance Jersey was hijacked — not by breaking any code, but by a teenager who phoned the domain registrar, lied, and sent photoshopped passports (one gave a Chinese colleague a Korean passport — and it still worked). This is social engineering: the weakest link in security is a human being trying to be helpful, not the cryptography. It cost CZ 36 hours. Lessons for you: real "support" never asks for your password or seed phrase; verify through official channels; and your email is the skeleton key — whoever controls it can reset everything else.

THE PRODUCT EXPLOSION

In the same winter Binance shipped a new blockchain (BNB Chain), a futures platform, and P2P trading. CZ's description of his own method is striking: "I don't plan much. I just say yes when people approach me, and give them a lot of freedom and support to build." For futures, two teams competed and both products launched — "we always let results determine success." P2P is the clearest example of what crypto is genuinely for: where banks do not exist or refuse crypto, two people can trade directly, the platform only holding the crypto safely in between. "Crypto provided financial access." Honest note: bypassing banks also bypasses the anti-money-laundering checks banks must run — which is why it later drew regulators.

STABLECOINS — IS IT REALLY "BACKED"?

Binance partnered with Paxos to launch BUSD, a stablecoin meant to be worth $1 because each token was "fully regulated, independently audited, backed 1:1" by real dollars in a bank. CZ contrasts this with Tether (USDT), which "kept their bank account details secret." The lesson for every user: a stablecoin is only as trustworthy as your ability to verify its backing. When regulators wound BUSD down in 2023, no user lost money — proving it really was 100% backed. A "backed" claim you cannot check is just a claim.

WHO OWNS THE MAP?

Binance bought CoinMarketCap — the most-used site for crypto prices and rankings. To its credit, Binance removed predatory ads even though it cost $40 million a year in revenue. But step back: the biggest exchange now owned the “map” almost every trader uses to decide what to buy. CZ promised to keep it independent — and a promise is not the same as a structure. The lesson: every ranking, rating and “neutral” data source in crypto has an owner with interests. Always ask: who owns the map?

HEADLINES, FUD & FOLLOW THE MONEY

In November 2019 a small outlet ran “Binance Shanghai Office Raided by Police.” It was actually a routine administrative visit to a support vendor. But “raided” and “visited” are different weapons: BNB fell 28% and Bitcoin 15% before an 18-hour-late correction that few people ever saw. Big outlets had simply copied the story “without verification.” Years later, Forbes reported the outlet's CEO had taken a secret $43 million loan from SBF. Lessons: a headline travels faster than its correction; ten outlets copying one source is still one source; and every news source has a money trail — follow it.

A FRIENDLY REGULATOR, A FISHY FOUNDER

CZ shared sushi with Gary Gensler — pro-crypto then, soon to be SEC Chairman — who later, in office, sued Binance and CZ personally. And CZ met Sam Bankman-Fried (SBF), sensed he was “a little fishy,” watched FTX's Alameda poach staff and trade abnormally — and invested in FTX anyway, because the deal “was sound.” That is the chapter's hardest lesson: a red flag only protects you if you actually walk away. Honest note: this is CZ's memoir — he later pleaded guilty to a US crime and served prison time, and he narrates the people who became his adversaries. The lessons are real; the framing is one interested side. Read it, like any one-sided story, with care.

11 LESSONS FROM PART 11

1. A downturn is the best time to build. The noise is loud but useless; the audience that stays is the serious one.

2. Judge by results, not by the pitch. Demos, slick design, prestige and headlines are appearances — outcomes are evidence.

3. Keep most of your crypto in cold storage. Binance survived a total hot-wallet drain because only 2% was hot.

4. Immutability is the point. A blockchain that can be rewritten for a rich enough party is worthless.

5. The biggest threat is a convincing liar. Social engineering beats cryptography — slow down when someone creates urgency.

6. Your email is the skeleton key. Whoever controls it can reset everything else — protect it most.

7. “Safer” is not “safe.” A vetted, exchange-blessed token sale is still a speculative gamble.

8. Check that the backing is verifiable. A stablecoin is only as trustworthy as your ability to confirm its reserves.

9. Ask who owns the map. Every ranking, rating and “neutral” data source has an owner with interests.

10. A headline outruns its correction. Count independent sources; ten outlets copying one source is one source.

11. A red flag only protects you if you walk away. Noticing the warning sign is worthless if you transact anyway.

LINES FROM CZ WORTH REMEMBERING

- “Keep our heads down and build.”
- “When the tide goes out, you see who's been swimming without pants.”
- “At Binance, we always let results determine success.”
- “I don't plan much. I just say yes when people approach me, and give them a lot of freedom and support to build.”
- “Introducing competition leads to the best product for users and minimizes the risk of a single point of failure.”

PART 12

The Pandemic, Hard Lessons & the Regulators

What Changpeng Zhao's 2020–2021 chapters teach everyday crypto users

This guide turns the next part of CZ's book Freedom of Money into plain advice you can use. These were the years Binance exploded from 20 million to 120 million users — and the years the company met its first real wave of trouble: a pandemic, a flood of regulators, and an industry where two rival founders were detained by police. Behind the headlines are five lessons that protect your money. No jargon. No hype.

1. NEVER LET ONE SINGLE THING HOLD EVERYTHING

In 2020 a large exchange called OKCoin suddenly froze every customer's withdrawals. The reason was simple and frightening: one person held all the keys — and that person had been detained by police. With him unreachable, nobody could move the funds. A second exchange, Huobi, had its founder detained the same way weeks later — but Huobi kept running, because it had set up its wallets so no single person was the weak link.

The lesson for you is the same at small scale. If your crypto can be lost because one thing goes wrong — one lost phone, one forgotten password, one seed phrase only you know and never backed up — then you have a single point of failure. Fix it before you need it: write down your recovery phrase and store copies safely in more than one place, and make sure someone you trust could recover your funds if something happened to you.

> **Do this:** Ask yourself — "If one specific thing went wrong tomorrow, could I lose everything?" If yes, that is the risk. Back up your recovery phrase and make a recovery plan today.

2. A UNIFORM IS NOT PROOF — VERIFY BEFORE YOU TRUST

CZ describes police who behaved like criminals: one group demanded customers pay a "fine" of 30% of their account balance to unfreeze it — basically a ransom. Another tried to force the exchange to refund their own gambling losses. Binance's response is the lesson worth copying: it refused to act on a demand just because it sounded official. It required real, verifiable legal paperwork first.

You will meet the everyday version of this constantly: a message from "support," a "security alert," a "police" or "tax" warning, a caller creating urgency. The claim itself proves nothing. Real organisations work through real, checkable channels — and no legitimate party will ever ask for your recovery phrase or password. Slow down, and verify through the official website or app yourself.

> **Do this:** When someone contacts you with authority and urgency, stop. Verify through the official channel yourself.

> Never share a recovery phrase or password — to anyone, ever.

3. WHEN MANY WATCHDOGS BARK AT ONCE, LISTEN

In 2021, regulators in the UK, Japan, Germany, Italy, Spain, Canada and Singapore all raised concerns about Binance within a few months. CZ's book argues this was unfair — and he makes one fair point: news outlets loudly covered the warnings but barely covered the later updates, so the public got a distorted picture. That media imbalance is real, and worth remembering.

But there is a balancing rule you should hold just as firmly. When one regulator complains, it could be anything. When many independent regulators raise the same concern at the same time, the most likely explanation is that the concern is real. Two years later, Binance settled with U.S. authorities and CZ pleaded guilty to a compliance failure. The warnings were early signals, not noise.

> **Do this:** Don't dismiss every warning as "bias" — and don't panic at every headline either. Count the independent sources. Many watchdogs, one concern = take it seriously.

4. "FAST AND FRIENDLY" IS NOT THE SAME AS "SAFE"

When Singapore declined Binance, CZ found a warm welcome in Dubai — a government minister met him on a weekend and arranged a residency visa in under 12 hours. The book treats Singapore's slowness as bureaucratic failure and Dubai's speed as wisdom.

Keep your eyes open here. A place — or a platform, or a project — that rushes to welcome you with very few questions is making a different bet than one that moves slowly and asks hard ones. Sometimes the slow, annoying, question-asking option is the one actually looking out for you. The same is true of any exchange or app: easy sign-up and zero friction can be convenience, or it can be a warning sign. Speed of welcome is information — not a guarantee.

QUICK EXPLAINER: WHAT IS A CRYPTO CARD?

In 2020 Binance launched a crypto debit card. It lets you pay at a normal shop with crypto: the card converts your crypto and pays the merchant in regular money, instantly. It is a real, useful bridge between crypto and everyday spending — just remember the unglamorous part CZ admits: these cards depend on traditional banks agreeing to support them, so they can be switched off by forces outside the crypto world.

5. HOW TO READ A COMPANY'S OWN STORY

Freedom of Money is a memoir — written by CZ, after he had served prison time, telling his own version of events. That does not make it false. It makes it one side of the story, and you should read it the way you'd read any company's blog post, any founder's social-media thread, or any project's white paper.

Watch for the patterns. A memoir tells its hardest year as a story of unfair persecution. It puts vivid villain-stories first and quiet corrections second. It borrows the emotion of one true event to make an unrelated point feel proven. None of this is unusual — it is simply how people tell their own stories. Your job as a reader is to take the genuine lessons and notice the framing at the same time.

> **Do this:** Before trusting any crypto source, ask three questions — Who is telling me this? What do they gain if I believe it? What would the other side say?

THE ONE-PAGE SUMMARY

- No single point of failure. Back up your recovery phrase; make a recovery plan.
- A uniform is not proof. Verify authority through official channels. Never share your seed phrase.
- Count the watchdogs. Many regulators + one shared concern = it is probably real.
- Fast and friendly ≠ safe. Easy welcomes are information, not guarantees.
- Read every source as one side of a story. Take the lesson; see the framing.

PART 13

The Year Crypto Caught Fire

What Changpeng Zhao's "2022, Wandering The Earth" chapter teaches everyday crypto users

This guide turns the longest chapter of CZ's book Freedom of Money into plain advice you can use. 2022 was the worst year crypto had seen: two giant projects — Terra/LUNA and FTX — collapsed and wiped out tens of billions of dollars, and a $14 billion panic-run hit Binance itself. Most of the people who lost money did not lose it to bad luck. They lost it because they did not understand what they were holding. Here are eight lessons that fix that. No jargon. No hype.

1. "STABLE" IS A PROMISE — CHECK WHO IS KEEPING IT

A stablecoin is meant to always be worth about one dollar. But "stable" is not a magic property — it is a promise, and someone or something has to keep it. The safe kind is backed: for every coin, real dollars sit in a reserve. The dangerous kind is algorithmic: there are no real dollars, just a computer program juggling a second token to hold the price. In May 2022, Terra's "stable" coin UST was the algorithmic kind. When confidence cracked, the program could not keep the promise, and about $60 billion vanished in days.

The word "stable," "safe," "guaranteed" or "backed" never proves anything by itself. Always ask the next question: backed by what, exactly — and can I see it?

> **Do this:** Before trusting any "stable" coin, find out if it is backed by real reserves you can verify. If the answer is "an algorithm keeps it stable," treat it as risky, not safe.

2. BEWARE ANYTHING PROPPED UP BY ITS OWN TOKEN

Terra and FTX — the two biggest collapses of 2022 — died of the exact same disease. Terra was held up by a token it created itself (LUNA). FTX's trading arm was held up by a token FTX created itself (FTT). It works fine while everyone is confident. But the moment confidence drops, the "asset" holding the company up loses value at the worst possible time — and the whole thing falls in a spiral.

A company cannot make itself rich by printing its own coin, any more than you can get richer by writing yourself a cheque. If a project's value rests mainly on a token it issued itself, that is a foundation made of paper.

> **Do this:** Ask of any exchange or project — "Is this propped up by a coin they printed themselves?" If yes, be very cautious. That single question would have warned people away from both Terra and FTX.

3. MONEY ON AN EXCHANGE IS NOT FULLY YOURS

When FTX collapsed, ordinary customers lost their money — not because they picked bad coins, but because FTX had quietly used their deposits and could not give them back. This is counterparty risk: coins sitting on an exchange are really just a promise from that exchange. If the exchange fails, the promise fails.

After FTX, fear spread to every exchange. People pulled $14 billion out of Binance in one week. Binance returned it all — strong evidence it really held the funds — but the safest position of all is the one where you never have to wonder: hold your own keys.

> **Do this:** Keep only what you are actively trading on an exchange. Move long-term holdings to a wallet you control, and back up your recovery phrase safely. "Not your keys, not your coins."

4. IN A CRISIS, WATCH HOW THE PEOPLE IN CHARGE BEHAVE

You do not need to read computer code to spot a project in trouble. You need to watch behaviour. When Terra was failing, its founder went quiet on social media, claimed to have reserves but never clearly showed them, and gave answers that explained nothing. When FTX was failing, its founder was vague and evasive. Those are the warning signs — and they were visible for weeks before the end.

CZ's own rule is a good test: in a real crisis, honest operators become more open and more responsive. The ones who go silent, dodge questions, or attack the messenger are telling you something.

> **Do this:** If a project or platform you are exposed to hits trouble, judge it by behaviour: Are they clear? Do they answer questions? Can you verify what they claim? Silence and evasion are reasons to step back.

5. A COIN IS ONLY WORTH WHAT THE NEXT PERSON WILL PAY

Every May, crypto celebrates "Bitcoin Pizza Day" — in 2010 a man paid 10,000 bitcoins for two pizzas, coins now worth over a billion dollars. People call it the worst trade in history. CZ makes the smarter point: before that trade, Bitcoin had no price at all. The pizza buyer did not lose a billion — he created Bitcoin's first price by being the first person willing to trade it.

The lesson: an asset is only worth what someone will actually pay you for it, right now. A number on a screen is not money in your pocket until you sell. And feeling you "missed out" on a past price is pointless — everyone on earth equally "missed" cheap Bitcoin in 2010.

> **Do this:** Judge your holdings by what you could actually sell them for today — not by an all-time-high number. Don't let "I should have bought earlier" push you into rushed decisions now.

6. IF A STRANGER BRINGS YOU AN OPPORTUNITY, VERIFY IT YOURSELF

CZ tells a striking story: a stranger who saw his travels online offered to arrange a meeting with a country's president. CZ flew his jet and security team across a continent for it — and when he arrived, there was no meeting. It never existed. The "opportunity" was fake, and it reached him only because he was visible.

Your version is identical. The moment you post about crypto, strangers appear with amazing "opportunities" — a private sale, an allowlist spot, a "friend who can get you in." The shine of the offer proves nothing. Real opportunities survive being checked.

> **Do this:** Never act on an unsolicited "opportunity." Verify it through an official channel you found yourself — not a link or contact the stranger gave you. If there is urgency, that is a reason to slow down, not speed up.

7. NEVER PUT SERIOUS MONEY INTO SOMETHING YOU CANNOT VALUE

CZ is honest about a half-billion-dollar decision: Binance put $500 million into Elon Musk's Twitter, and he calls the figure "a finger in the air number, without much financial analysis." Binance is huge and could absorb a mistake that size. You cannot.

Liking something, using something, or believing in a mission is a fine reason to start looking. It is not a reason to commit money. "I believe in it" is not the same as "I have checked it."

> **Do this:** Before you invest, be able to explain — in plain words — what the thing is, how it makes money or holds value, and what could go wrong. If you cannot, you are not investing; you are guessing. Never guess with money you cannot afford to lose.

8. DON'T WAIT UNTIL IT IS TOO LATE

When war reached Ukraine, Binance offered to relocate its staff. Many delayed the hard decision. Then borders and drafts closed the window, and CZ writes the saddest line in the chapter: "more wanted to relocate then, but it was too late."

Crypto's worst losses work the same way — not acting on a warning, not securing a wallet, not withdrawing from a shaky platform until the option is gone. When something is unlikely but would be ruinous, acting early is cheap and acting late can cost everything.

> **Do this:** If you have been putting off a safety step — backing up a recovery phrase, moving funds off a platform you distrust, reducing a risky position — do it today, while it is still easy.

THE ONE IDEA TO REMEMBER

Almost everyone who lost money in 2022 lost it the same way: they did not understand what they were holding. They didn't know UST was only an algorithm, didn't know FTT propped up FTX, didn't know an exchange balance is just a promise. Every one of those losses was a knowledge gap — and knowledge is the one protection no crash can take from you. Learn first. Then decide.

PART 14

The Year the Government Came

The US government's case against Binance reaches its end — a $4.3 billion settlement, a guilty plea, and a year of negotiating from the weakest seat at the table.

Parts 1–13 followed Changpeng Zhao ("CZ"), founder of Binance, from a frugal childhood to the head of the world's largest crypto exchange — through explosive growth, a global tour, and the 2022 crypto winter that destroyed Terra and FTX. Part 14 covers 2023: the year-long negotiation between Binance, CZ and the US Department of Justice (DOJ) that ended in a $4.3 billion settlement, a guilty plea, and — later — four months in a US prison. One honest note up front: this chapter is CZ's account of his own prosecution, written afterward. The lessons below are real and useful; the framing is one interested side. Read it, like any one-sided story, with both eyes open.

HOW A CASE GETS BUILT

The DOJ case traced back to an October 2020 Forbes story about a leaked "Tai Chi" strategy document — a plan, written by an outside consultant, for handling US regulators. CZ's defence is strong: Binance found an email proving it had rejected that consultant's path. But notice the pattern he describes — a story is tipped to a journalist, the story opens an investigation, and the investigation's narrative colours everything that follows. **The lesson: a planted story can sink an honest project, and a planted positive can launder a dishonest one.** Of any story, ask: who benefits if I believe this, and what did they do to get it published?

THE CHAT THAT BECAME A WEAPON

Years earlier CZ had typed a casual line into a work chat — "better to ask for forgiveness than permission" — borrowed from a Richard Branson biography. When prosecutors built their case, that one throwaway sentence became their opening line against him in court. It cost three seconds to write and, plausibly, real leverage over his liberty. **The lesson: a prosecutor does not read your words the way you wrote them — they read them the way they can be used.** Write every message, and make every transaction, as if the least friendly possible reader will one day quote it back to you. Chat logs leak; your wallet history is public forever.

A BACKED, HONEST COIN — SHUT DOWN ANYWAY

BUSD was a dollar stablecoin that did everything right: fully backed, and transparent about its reserves. It still ended — a regulator ordered its issuer to stop minting, and the coin was wound down. When users redeemed, every dollar was there. Nothing was wrong with the money; it was closed by a decision, not a failure. **The lesson: there are two separate questions about any crypto product — is it really backed, and can it be regulated out of existence regardless?** Most people only check the first. And never let one stablecoin, chain or platform become a single point of failure in your crypto life.

GUILTY THE MOMENT YOU'RE ACCUSED

In June 2023 the SEC sued Binance.US and asked a court to freeze all its assets — which would have locked ordinary users out of their own money for the years a lawsuit runs. In court, the SEC's most damaging claim — that customer funds had been misused, "like FTX" — was conceded to have no evidence, and the judge said so on the record. But the accusation had already done its work: Binance.US's volume collapsed from 35% of Coinbase's to under 1%, banks fled, card partners quit. **The lesson: an accusation damages instantly; a correction arrives late and reaches far fewer people.** Act prudently on real risk — but never mistake an accusation for a verdict. (To keep users' funds reachable, CZ agreed to freeze his own $250 million loan to the company instead. "Users first" only means something when it costs you.)

THE $4.3 BILLION TROPHY

The DOJ first demanded $6.8 billion — a figure CZ calls "a finger-in-the-air number" that even his own ex-DOJ lawyers could not make add up. After months of back-and-forth it settled at a $4.3 billion minimum. Then a lawyer's theory backfired: pay a big fine, he said, and the judge will go easier at sentencing. Instead, the DOJ and the judge argued the opposite — he agreed to pay so much, the crime must be huge. **The lesson: when you concede something to a more powerful party, you do not control what that concession is said to mean.** Before you give anything up, ask not "what do I want this to signal?" but "what is the worst thing they could credibly claim it signals?"

SILENCE AS A WEAPON

Pressed by ultimatums, CZ said no a few times — the deal was too unreasonable. So the DOJ simply went silent for two weeks. CZ spent those two weeks imagining a future as a fugitive and, in his own words, negotiating against himself: "It was a psychological tactic, and it worked." Nothing about his real situation had changed — only the silence. **The lesson: the opposite trick, manufactured urgency ("mint closes in 10 minutes"), is the same weapon.** Whether a counterparty speeds the clock up or freezes it, their control of the clock is itself the warning sign. Step out of their tempo and verify on your own.

TOO MANY LAWYERS, TOO MUCH CONFIDENCE

CZ hired over a dozen elite lawyers at $2,000+ an hour — and called the result "disastrous." A Seattle specialist gave a list of flat, confident predictions: you'll go home on bail, this is the best judge you could hope for, at worst home confinement. Every one was wrong. The lawyers also reassured him no one had ever been jailed for a single offence like Binance's — in a case they simultaneously called the most aggressive they had ever seen. **The lesson: confidence is not accuracy, and "it has never happened" is not a promise.** Strip the confidence off any prediction — an influencer's, an adviser's, your own — and ask what evidence is actually left underneath.

THE THREAT INSIDE THE BUILDING

Amid all the outside enemies, the chapter's sharpest wound came from within. Binance agreed to rescue a failed local exchange's users — and CZ's own regional manager had quietly structured the deal to funnel tens of millions to that exchange's old management instead of users, and got Binance's own board to sign it off. "The board approved it" was then used as the reason it could not be undone. The tell CZ flags: the manager flew across countries to push the deal in person. **The lesson: a control — a board, a multisig, an approval step — only protects you if the people running it gain nothing from it failing.** And unusual effort to rush one specific deal is a warning sign, on-chain and off.

THE OTHER 2023

Between rounds of the legal fight, the chapter breathes. CZ answered a year of attacks with a single character — "4" — and let the community meme it: a calm, low-cost way to refuse a fight. One message to a contact got ChatGPT unblocked for a whole country — "low effort, high impact," possible only because the relationship already existed. After Turkey's earthquake, Binance sent over $10 million straight to affected users' wallets — crypto working as a payment rail when banks were down. And a trip to Bhutan was a deliberate breath before the final descent. **The lesson: build relationships in calm times, keep a cheap answer ready for bad-faith attacks, and — on a long, hard road — schedule the breath.**

THE LEAP OF FAITH

To loosen the DOJ's hold, CZ took UAE citizenship — a non-extradition passport. To get him to travel to the US anyway, the DOJ offered a "safe passage" letter. His lawyers fought for weeks over its wording — and it still covered only DOJ offices, pointedly not the SEC or CFTC. "In the end," CZ writes, "I had to take a chance and believe the DOJ wouldn't screw me." In November 2023 the deal was struck: plead guilty to one charge, a $150 million personal fine, $4.3 billion from Binance, a three-year monitor — and a judge to decide the rest. **The lesson: a guarantee is only as good as its exact scope and the honesty of whoever makes it.** And a hard fight from the weak seat rarely ends in a clean win — it ends in a sorted settlement, and a leap of faith.

14 LESSONS FROM PART 14

- An accusation does its damage before any verdict. The harm is instant; the correction is slow and reaches fewer people.
- Write as if a hostile reader will quote you. Chats leak and wallets are public — words and transactions are permanent.
- "It has never happened" is not a promise. A clean record only describes the past, weakest of all when the situation is new.
- A backed, honest product can still be switched off. Check both: is it really backed, and can a regulator end it?
- Don't keep everything in one product. No single coin, chain or platform should be able to ruin you.
- Money on a platform can be frozen. A court or regulator can lock honest, solvent funds away for years.
- A concession can be re-narrated as an admission. You don't control what the powerful side says your move meant.
- When someone controls the clock, step out of their tempo. Manufactured silence and manufactured urgency are the same weapon.
- Confidence is not accuracy. Judge a prediction by the evidence under it, not by how sure it sounds.
- A control only works if its operators are aligned. A board or multisig captured by insiders is worse than none at all.
- The dangerous threat is often internal. Vet the people you bring inside as hard as the enemies outside.
- Read what a guarantee excludes. The loss lives in the part it doesn't cover — and in who stands behind it.
- "Users first" only counts when it costs you. A principle that has never been tested is just marketing.
- Hard fights end in a settlement, not a clean win. The skill is sorting clearly what to concede and what to contest.

LINES FROM CZ WORTH REMEMBERING

- "Better to ask for forgiveness than permission."
- "You are guilty as soon as claims are made against you."
- "It was a psychological tactic, and it worked."
- "This type of negotiation was routine for them … For me, it was my liberty and life on the line."
- "In the end, I had to take a chance and believe the DOJ wouldn't screw me."

This is Part 14 of a plain-English series on Changpeng Zhao's Freedom of Money, shared freely by PanopticProtocol. Education, not financial advice — always do your own research.

PART 15

Four Months Inside

CZ pleads guilty, is sentenced, and serves a US prison term — a story about losing control, and discovering what is left when you do.

Parts 1–14 followed Changpeng Zhao ("CZ"), founder of Binance, from a frugal childhood to the head of the world's largest crypto exchange — through explosive growth, the 2022 crypto winter, and a year-long negotiation with the US Department of Justice that ended in a $4.3 billion settlement and CZ's agreement to plead guilty. Part 15 is what happened next: CZ flies to the United States, pleads guilty, is sentenced, and serves four months in a federal prison — the first person in US history jailed for a single registration offence, with no fraud. One honest note: this is CZ's account of his own punishment, the most one-sided stretch of the book. The lessons are real; the framing is the accused's. Read it with both eyes open.

HE FLEW IN TO BE PUNISHED

In late November 2023, holding a passport from a country that would not extradite him, CZ boarded a plane to the United States — to plead guilty and be sentenced. He could have stayed away. He chose the plane, and negotiated the wording of the deal up to the last moment before boarding. The night before his plea he wrote his own resignation note to the company he had led for seven years, finished it at 4 a.m., and wept — discovering how completely his identity had fused with Binance. **The lesson: when a cost is truly unavoidable, you cannot change the fact of it — but you can choose the manner. Meet it as someone who showed up.**

A WIN THAT LASTED TWO WEEKS

At his first hearing a magistrate judge granted CZ bail and permission to wait out his sentencing back home. It felt like a win. About two weeks later the government appealed, and a higher judge overturned it — CZ would have to remain in the United States for what became five months. The structure that gave him the win was overruled by the structure above it. **The lesson: a favourable ruling, decision or status is provisional until everyone with more authority has run out of time to reverse it. Never build irreversibly on an early win.**

ASKED FOR 50, RECEIVED 248

Before sentencing, CZ's lawyers said he needed letters of support from people who knew him — they suggested around 50. He started asking just before Christmas. He received roughly 248, from all over the world, including one co-signed by 56 Ukrainian colleagues; 161 went to the court. He could not manufacture that base in a crisis — he could only discover whether a decade of genuine help had built it. **The lesson: every act of help given with no expectation of return is a deposit. Its value is invisible until the day you need it back — and then it cannot be faked.**

THE GAP IN THE NUMBERS

The official US sentencing guidelines put CZ's range at roughly 10–16 months. The government asked the court for 36. The judge imposed 4. Three very different numbers for one set of facts — because the outcome was decided not by the grid but by character letters, a voluntary surrender, and one judge's discretion in the wide space the rules leave open. **The lesson: an official number — a sentencing range, an advertised yield, a paper tokenomics model — is a reference point, not a destiny. People and process decide the real outcome inside it.**

FIRST IN HISTORY

CZ pleaded guilty to one thing: a failure to register and run a proper anti-money-laundering programme — a regulatory offence, not fraud. No victims, no theft, no money laundering proven; the judge dismissed the two added charges for lack of evidence. Yet CZ became, by his account, the first person in US history jailed for that single offence. The government cited big-bank cases — BNP Paribas, Rabobank, others — where no individual was charged at all. **The lesson: a precedent ("no one has ever been jailed for this") describes the past, not your guarantee. Someone always has to be the first.**

A SYSTEM WITH NO OWNER

CZ's four-month sentence stretched to about eleven months of unfreedom — not through one villain, but through uncoordinated bureaucracy. Immigration enforcement placed a detainer on him, then lifted it, then a different office reinstated it, then it was lifted again. The judge recommended a minimum-security prison; a different agency overrode that. Promises from one arm of government did not bind another. **The lesson: "the system" — a government, the regulators, a big platform — is never one thing. It is many uncoordinated parts, and a green light from one is not a green light from all.**

TEN MINUTES TO READ THE ROOM

Inside, CZ's paid prison consultants had advised him to "stay to himself." Within ten minutes that advice was overruled by reality: in his unit, men organised into groups — "cars" — for safety, belonging and dispute resolution, and having no car was the dangerous option. He read the unwritten system fast and joined one. **The lesson: every place — a prison unit, a DAO, a Discord, a new chain's ecosystem — runs on an unwritten operating system the documents never mention. Read it fast, and trust the people living in it over the expert who only studied it.**

HE WROTE THIS BOOK IN PRISON

For years, with a laptop and unlimited time, CZ had not written his book. In prison he did — on a messaging terminal that allowed 15-minute sessions, a few thousand characters, and no copy-paste. The punishing constraint, he says, forced him to stop polishing and just produce a “shitty first draft” — the only kind that ever becomes a book. **The lesson: freedom offers endless ways to postpone and perfect; a hard constraint offers mainly one option — produce. Use deadlines and limits on purpose. A published imperfect thing beats a theoretical perfect one.**

THE SCAVENGERS

A week before his release, a US Marshal served CZ a 94-page civil lawsuit inside the prison. The plaintiff had been SIM-swapped — an attacker hijacked her phone number, broke into her email, and drained her crypto — and she sued the phone carrier, the software company, the exchange, and CZ personally, though he had no involvement. Law firms watch for guilty pleas and file follow-on suits the moment one lands. **The lesson: protect the real weak points — your phone number and your email are the master keys; lock the SIM and use proper two-factor. And blame flows to the biggest visible name, not always to the true cause.**

WHAT WAS LEFT

Released at last, CZ was re-detained twice more by immigration paperwork before a final 14 days in a detention centre. Then a private jet, a plate of fruit, and the thought: “I must be living in a simulation.” Free after eleven months, he found he had not missed work, money or luxury — he had missed people. He had already decided, while awaiting sentencing, what to do with the rest of his life: build free education for the world, so he could one day say he did his best to help. **The lesson: stripped of everything measurable, what was left was people, and the wish to help. Let that be the scale you measure a life by.**

15 LESSONS FROM PART 15

- When a cost is unavoidable, choose the manner. You can’t change the fact; you can meet it as someone who showed up.
- A win is provisional until it is final. Any ruling or status can be reversed by a higher authority until the window closes.
- Build the relationship base now. Help given freely is a deposit you discover, years later, in a crisis.
- An official number is a reference, not a destiny. People and process decide the real outcome inside the stated range.
- “It has never happened” is thin protection. Precedent describes the past; someone always has to be the first.
- The system is never one thing. Many uncoordinated parts; a green light from one is not a green light from all.
- Check that a general rule covers you specifically. “Most people qualify” did not include CZ — confirm your own category.
- Read the unwritten operating system. Every community runs on real norms the documents never mention.
- Ground-level knowledge beats abstract expertise. The people living in a system know more than the consultant who studied it.
- Constraints produce what freedom doesn’t. Use deadlines and limits on purpose; ship the imperfect first draft.
- Lock your phone number and your email. They are the master keys; SIM-swaps and email hacks drain real wallets.
- Blame flows to the biggest visible name. Find the true point of failure, not the most prominent one.
- Document everything in any dispute. When systems contradict each other, your own records are the only fixed point.
- Some costs can only be outlasted. Not every problem has a solution; endurance is a real skill.
- Measure a life by people, not metrics. Stripped of everything else, that is what CZ found was left.

LINES FROM CZ WORTH REMEMBERING

- “I did my best to help.”
- “I’m serving four months, not a lifetime.”
- “I ran a company. We failed to register as a financial platform.”
- “I must be living in a simulation.”

This is Part 15 of a plain-English series on Changpeng Zhao’s Freedom of Money, shared freely by PanopticProtocol. Education, not financial advice — always do your own research.

PART 16

The Tide Turns

Crypto's political fortunes reverse, CZ is pardoned, and the book closes with a rulebook — its most useful pages. How the story ends, and what to take from it.

Parts 1–15 followed Changpeng Zhao ("CZ"), founder of Binance, from a frugal childhood to the world's largest crypto exchange — through the crypto winters, a $4.3 billion settlement with the US government, and four months in a federal prison. Part 16 is the end of the book: the political tide turns pro-crypto, the regulators drop their cases, CZ receives a full presidential pardon — and the memoir closes with an Appendix of CZ's own operating principles, its most practical pages. One honest note: the pardon chapter is the most contested in the book — CZ flatly denies reporting by major outlets, and a memoir cannot settle that. Read it with both eyes open.

THE TIDE TURNS

While CZ was in prison, crypto's political fortunes flipped. In 2024 the US election brought in an administration that pledged to make America "the capital of crypto." Through early 2025 the securities regulator dropped or closed case after case against crypto firms — Coinbase, Kraken, Ripple, OpenSea and many more — and, on May 29, 2025, against Binance and CZ. The same conduct that was prosecuted under one administration was dropped under the next. Nothing about the facts changed — only the politics. **The lesson: the regulatory climate is weather, not bedrock. "Crypto is favoured now" is a forecast, not a fact — and a friendly regime is exactly as reversible as a hostile one. Never build on the assumption that today's rules are permanent.**

THIRTEEN CHARGES TO ZERO

CZ notes that the SEC's case against Binance started as 13 charges — including fraud claims and a bid to freeze assets — then narrowed to arguing that just one token was a security, and then was dropped entirely. A case that collapses that far was, by that very fact, weak. But CZ is honest that the collapse came too late to undo the damage: across two years the case had already cost Binance.US a dozen licences and most of its business. **The lesson: an accusation is not a verdict — a case that falls apart was never strong. But the damage from being accused lands long before the correction does. Judge guilt slowly; manage your own risk quickly.**

THE BOOK'S MOST CONTESTED PAGES

In 2025 the Wall Street Journal and Bloomberg published reports linking a possible pardon to business dealings — reporting CZ calls "categorically false" and blames on competitors' paid smears. On October 21, 2025, he received a full presidential pardon. Here is the thing a reader must sit with: major outlets reported one thing; CZ, in his own book, denies it and assigns a discrediting motive to the reporters. You cannot resolve that from a memoir. **The lesson: this is the master reading skill — when the only account you have comes from the person with the biggest stake in it, hold the question open. The most confident denial is not evidence. Note what is verifiable, note what is contested, and be at peace not knowing the rest.**

A PARDON IS NOT AN EXONERATION

CZ writes that the pardon "cleared my name." Precisely speaking, it did something else. A pardon forgives the penalty; it does not undo a guilty plea or rule the conduct lawful. An acquittal says "did not do it." A pardon says "is forgiven for it." The book lets the stronger word stand in for the weaker reality. **The lesson: precise words matter, and a great deal of crypto persuasion runs on swapping a weak word for a strong one — "cleared" for "forgiven," "audited" for "safe," "dropped" for "disproven," "partnership" for a logo on a page. Always put the precise word back.**

"IF YOU CAN, YOU MUST"

The book's final chapter is short and grateful. CZ calls himself "extremely lucky" — for his upbringing, his timing, a family that held through prison — and frames his life's work as expanding "the freedom of money" for hundreds of millions of people. He ends on a single principle: "If you can, you must." If you have the resources and the ability to help, you are not merely allowed to — you are obligated to. **The lesson: "if you can, you must" is an ethic worth keeping. If you understand something that can protect someone from a loss, the honest thing is not to hoard it. Teach it.**

DON'T CHASE MONEY

The book ends not with the story but with an Appendix — roughly 72 of CZ's working principles — and it is the most practical part of the whole book. The first that matters for an ordinary person: "Don't chase money." CZ's claim is that people who chase money hardest often don't get it; the ones who get rich provide real value — deliver value of 10 and take 8, or even 5, consistently — and let wealth follow. You earn more, long-term, by leaving some on the table. **The lesson: chase value, not money. Be the kind of person, and pick the kind of project, that gives more than it takes — it compounds trust, and trust is what actually pays.**

SEE PAST THE LABEL

Another of CZ's principles: don't be fooled by labels. Humans invent labels — "company," "money," "security," job titles, rankings — and then argue about the label instead of looking at the thing. CZ says he cares far less whether Bitcoin is labelled "money" than what its actual utility, value and liquidity are. **The lesson: when you evaluate anything in**

crypto, drop the label and ask the first-principles question — what is this, really? What does it do, who holds it, how does it actually work? The label is an argument; the thing is the truth.

REVERSIBLE OR PERMANENT?

The single most useful tool in CZ's principles is his decision rule. Most people deliberate the same amount over every choice. CZ sorts decisions first: is this reversible or permanent? A reversible decision — one you can undo — should be made fast, because the cost of being wrong is small and you learn by trying. A permanent decision — a large upfront payment, something you cannot take back — deserves slow, careful, worst-case thinking. **The lesson: before deciding how hard to think, ask "can I undo this?" In crypto a tiny test transaction is reversible in spirit — just do it. A large irreversible transfer, a seed-phrase choice, a leveraged bet are permanent — slow all the way down.**

THE SMALL RULES THAT COMPOUND

Many of CZ's principles are small and unglamorous, and that is the point. Learn from books, not just short articles — articles are easy to agree with but "nothing sticks"; books go deep. Write a little every day, because writing organises thinking. Communicate in one clear message, not five; always include the units ("$40k per year," never just "40k"); give context. None of these is dramatic. **The lesson: mastery is not one big move — it is small, dull, consistent habits compounding. Go deep, not shallow; be precise; do a little every day. Over years, those tiny rules are the whole difference.**

HOW THE WHOLE BOOK ENDS

Sixteen parts — a childhood, a company, two crypto winters, a guilty plea, a prison cell, a pardon, a rulebook — and the book keeps making the same few arguments: protect users and let the rest follow; build people's capability instead of their dependence; play the long game, not the quick win; and education is the form of help that compounds. The richest man in the story ends it saying prison taught him he missed people, not things, and that his real remaining wealth is time and freedom. **The lesson: the book about money closes by insisting money was never the point. Measure a life — and a portfolio — by whether it served the people and the freedom you actually care about.**

16 LESSONS FROM PART 16

- The regulatory climate is weather, not bedrock. A friendly regime is exactly as reversible as a hostile one.
- An accusation is not a verdict. A case that collapses to nothing was never strong.
- Damage lands before the correction. Judge guilt slowly; manage your own risk quickly.
- Read the self-interested narrator. When the account comes from the person with the biggest stake, hold the question open.
- A confident denial is not evidence. Note what is verifiable, note what is contested, accept what cannot be known.
- A pardon is not an exoneration. Put the precise word back — "forgiven" is not "cleared."
- Watch the swapped word. "Audited" is not "safe"; "dropped" is not "disproven"; a "partnership" is not a logo.
- "If you can, you must." If you understand something that protects people, you are obligated to teach it.
- Chase value, not money. Give more than you take; trust is what actually pays.
- See past the label. Drop the word, examine the thing — what is it really, and how does it work?
- Reversible or permanent? Decide fast when you can undo it; slow all the way down when you can't.
- Go deep, not shallow. Books over articles; one thing understood beats ten skimmed.
- Be precise. Include the units, the context, the exact claim — never let a reader assume.
- Small habits compound. Mastery is dull, consistent practice, not one big move.
- Protect users first; play the long game. The book's first principle, and its through-line for sixteen parts.
- Measure a life by people, not metrics. The book about money ends by saying money was never the point.

LINES FROM CZ WORTH REMEMBERING

- "If you can, you must."
- "Be the person building the cathedral, not the one laying bricks."
- "Don't chase money — provide value."
- "When you walk to the bottom of a valley, just keep walking, and you will get out of it."
- "Not making a decision is itself a decision."

This is Part 16 — the final part — of a plain-English series on Changpeng Zhao's Freedom of Money, shared freely by PanopticProtocol. Education, not financial advice — always do your own research.