INTRODUCTION

It was after midnight and many of the guests had already gone to bed, leaving behind their amber-tailed tumblers of high-end whiskey. The poker dealer who had been hired for the occasion from a local casino had left a half hour earlier, but the remaining players had convinced her to leave the table and cards so that they could keep playing. The group still hovering over the felt and chips was dwarfed by the vaulted, wood-timbered ceiling, three stories up. The large wall of windows on the far side of the table looked out onto a long dock, bobbing on the shimmering surface of Lake Tahoe.

Sitting at one end of the table, with his back to the lake, twenty-nine-year-old Erik Voorhees didn't look like someone who three years earlier had been unemployed, mired in credit card debt, and doing odd jobs to pay for an apartment in New Hampshire. Tonight Erik fitted right in with his suede oxfords and tailored jeans and he bantered easily with the hedge fund manager sitting next to him. His hairline was already receding, but he still had a distinct, fresh-faced youthfulness to him. Showing his boyish dimples, Erik

joked about his poor performance at their poker game the night before, and called it a part of his "long game."

"I was setting myself up for tonight," he said with a broad toothy smile, before pushing a pile of chips into the middle of the table.

Erik could afford to sustain the losses. He'd recently sold a gambling website that was powered by the enigmatic digital money and payment network known as Bitcoin. He'd purchased the gambling site back in 2012 for about $225, rebranded it as SatoshiDice, and sold it a year later for some $11 million. He was also sitting on a stash of Bitcoins that he'd begun acquiring a few years earlier when each Bitcoin was valued at just a few dollars. A Bitcoin was now worth around $500, sending his holdings into the millions. Initially snubbed by investors and serious business folk, Erik was now attracting a lot of high-powered interest. He had been invited to Lake Tahoe by the hedge fund manager sitting next to him at the poker table, Dan Morehead, who had wanted to pick the brains of those who had already struck it rich in the Bitcoin gold rush.

For Voorhees, like many of the other men at Morehead's house, the impulse that had propelled him into this gold rush had both everything and nothing to do with getting rich. Soon after he first learned about the technology from a Facebook post, Erik predicted that the value of every Bitcoin would grow astronomically. But this growth, he had long believed, would be a consequence of the multilayered Bitcoin computer code remaking many of the prevailing power structures of the world, including Wall Street banks and national governments—doing to money what the Internet had done to the postal service and the media industry. As Erik saw it, Bitcoin's growth wouldn't just make him wealthy. It would also lead to a more just and peaceful world in which governments wouldn't be able to pay for wars and individuals would have control over their own money and their own destiny.

It was not surprising that Erik, with ambitions like these, had a turbulent journey since his days of unemployment in New Hampshire. After moving to New York, he had helped convince the Winklevoss twins, Tyler and Cameron, of Facebook fame, to put almost a million dollars into a startup he helped create, called BitInstant. But that relationship ended with a knock-down, drag-out fight, after which Erik resigned from the company and moved to Panama with his girlfriend.

More recently, Erik had been spending many of his days in his office in Panama, dealing with investigators from the US Securities and Exchange Commission—one of the top financial regulatory agencies—who were questioning a deal in which he'd sold stock in one of his startups for Bitcoins. The stock had ended up providing his investors with big returns. And the regulators, by Erik's assessment, didn't seem to even understand the technology. But they were right that he had not registered his shares with regulators. The investigation, in any case, was better than the situation facing one of Erik's former partners from BitInstant, who had been arrested two months earlier, in January 2014, on charges related to money laundering.

Erik, by now, was not easily rattled. It helped that, unlike many passionate partisans, he had a sense of humor about himself and the quixotic movement he had found himself at the middle of.

"I try to remind myself that Bitcoin will probably collapse," he said. "As bullish as I am on it, I try to check myself and remind myself that new innovative things usually fail. Just as a sanity check."

But he kept going, and not just because of the money that had piled up in his bank account. It was also because of the new money that he and the other men in Lake Tahoe were helping to bring into existence—a new kind of money that he believed would change the world.

THE BITCOIN CONCEPT first came onto the scene in more modest circumstances, five years earlier, when it was posted to an obscure mailing list by a shadowy author going by the name Satoshi Nakamoto.

From the beginning, Satoshi envisioned a digital analog to old-fashioned gold: a new kind of universal money that could be owned by everyone and spent anywhere. Like gold, these new digital coins were worth only what someone was willing to pay for them—initially nothing. But the system was set up so that, like gold, Bitcoins would always be scarce—only 21 million of them would ever be released—and hard to counterfeit. As with gold, it required work to release new ones from their source, computational work in the case of Bitcoins.

Bitcoin also held certain obvious advantages over gold as a new place to store value. It didn't take a ship to move Bitcoins from London to New York—it took just a private digital key and the click of a mouse. For security, Satoshi relied on uncrackable mathematical formulas rather than armed guards.

But the comparison to gold went only so far in explaining why Bitcoin ended up attracting such attention. Each ingot of gold has always existed independent of every other ingot. Bitcoins, on the other hand, were designed to live within a cleverly constructed, decentralized network, just as all the websites in the world exist only within the decentralized network known as the Internet. Like the Internet, the Bitcoin network wasn't run by some central authority. Instead it was built and sustained by all the people who hooked their computers into it, which anyone in the world could do. With the Internet, what connected everyone together was a set of software rules, known as the Internet protocol, which governed how information moved around. Bitcoin had its own software protocol—the rules that dictated how the system worked.

The technical details of how all this worked could be mind-numbingly complicated—involving advanced math and cryptography. But from its earliest days, a small group of dedicated followers saw that at its base, Bitcoin was, very simply, a new way of creating, holding, and sending money. Bitcoins were not like dollars and euros, which are created by central banks and held and transferred by big, powerful financial institutions. This was a currency created and sustained by its users, with new money slowly distributed to the people who helped support the network.

Given that it aimed to challenge some of the most powerful institutions in our society, the Bitcoin network was, from early on, described by its followers in utopian terms. Just as the Internet took power from big media organizations and put it in the hands of bloggers and dissidents, Bitcoin held out the promise of taking power from banks and governments and giving it to the people using the money.

This was all rather high-minded stuff and it attracted plenty of derision—most ordinary folks imagined it falling somewhere on the spectrum between Tamagotchi pet and Ponzi scheme, when they heard about it at all.

But Bitcoin had the good fortune of entering the world at a utopian moment, in the wake of a financial crisis that had exposed many of the shortcomings of our existing financial and political system, creating a desire for alternatives. The Tea Party, Occupy Wall Street, and WikiLeaks—among others—had divergent goals, but they were united in their desire to take power back from the privileged elite and give it to individuals. Bitcoin provided an apparent technological solution to these desires. The degree to which Bitcoin spoke to its followers was apparent from the variety of people who left their old lives behind to chase the promise of this technology—aficionados like Erik Voorhees and many of his new friends. It didn't hurt that if Bitcoin worked, it would make the