

Markets

Crypto

DeFi Trader at Steve Cohen-Backed Firm Wrote Kardashians' Theme Song

Wall Street needs unconventional help grasping the “wacky funhouse version” of finance that crypto misfits are building. Aaron Lammer is happy to oblige.



Radkl's Aaron Lammer has been deeply involved with cryptocurrencies for the past half a decade—which makes him a grizzled veteran. *Photographer: Christopher Goodney/Bloomberg*

By Nick Baker

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From **Crypto**

Until October, nothing on Aaron Lammer's resume really screamed Wall Street.

There's the "Keeping Up With the Kardashians" theme song he co-wrote, the music he made with Drake and Kanye West and the Rick Bayless cookbook he helped edit. There's Longform.org, the website he co-founded that got famous in media circles for showcasing long pieces of good journalism. And there's the podcasts he has hosted.

But here's the bit that got the 40-year-old Long Island dad noticed by the finance set: For the past half a decade, Lammer has been deeply involved with cryptocurrencies, which in that arena makes him a grizzled veteran. While the world was slowly getting accustomed to Bitcoin, he was already pushing further into the space, exploring new areas of blockchain technology and telling listeners of his exploits on his crypto-focused podcast, "CoinTalk."

These endeavors helped land him a job last month at Radkl, a new crypto trading firm formed by the partners of GTS, a top New York Stock Exchange market maker. Steve Cohen, the billionaire hedge-fund manager and New York Mets owner, kicked in some of the money it'll trade. Lammer's title is DeFi specialist. While he can't disclose exactly what that will entail, the term refers to decentralized finance, a movement that seeks to replace the old Wall Street ways of earning yield, getting loans and trading, using software built atop blockchains like Ethereum.

"In trading, if you stay the same, you're dead," said Jim Greco, a managing director at New York-based Radkl and Lammer's boss. "You constantly have to evolve and incorporate new ideas and new people who will take trading to the next level and next frontier. That's part of what I saw in Aaron."

Lammer's journey is a byproduct of crypto's rapid growth and mainstream acceptance during the pandemic, which has made early adopters like him increasingly valuable to finance titans who are looking to gain a foothold in this free-wheeling, often-bewildering and always-fast-evolving space. Radkl, like a growing portion of old-school Wall Street, is captivated by the huge potential profits in this once-fringe realm, and it plans to go big in crypto trading.

Crypto specialists like Lammer aren't the kind you discover in your typical job pools; they're found off the beaten path. The traditional ways of hiring—scooping up business school grads, raiding rivals, even the relatively recent practice of hiring coders and quants—aren't fully up to the task. What will be interesting, though, is how the misfits who drive crypto interact with mainstream finance and possibly revolutionize it.



Lammer's journey is a byproduct of crypto's rapid growth. *Photographer: Christopher Goodney/Bloomberg*

To the Wall Street crowd, Lammer describes crypto as a “wacky funhouse version” of traditional finance. That highlights the crux of the dilemma for anyone—random amateurs and sophisticated pros alike—stepping into DeFi to exchange one token for another, borrow money denominated in cryptocurrencies or whatever else, and why hiring a guide like Lammer is helpful. Go a millimeter deep and you're confronted with an avalanche of mind-bending concepts and extremely obscure terminology, some of it mimicking traditional financial ideas but much of it not really: staking, dApp, DEX, gas fees, tokenomics, total value locked, impermanent loss and on and on. More terms pop up all the time.

“I've never seen a thing where people on the inside and people on the outside are completely incapable of speaking to each other,” Lammer said in a recent Zoom interview from his home office and recording studio. Despite his unusual-for-Wall-Street resume, Lammer doesn't think he's a weird pick. Unlike his new colleagues, he's had experience dealing in a world where DeFi folks operate under pseudonyms on social media. “They might have an anime avatar or a frog picture, and these are people who are really living the DeFi life.” He's able to bridge the gap.

This kind of culture clash has happened before in finance. It feels like an echo from the upheaval that began in the 1990s, when computer-driven automated traders started to shake things up. This gave

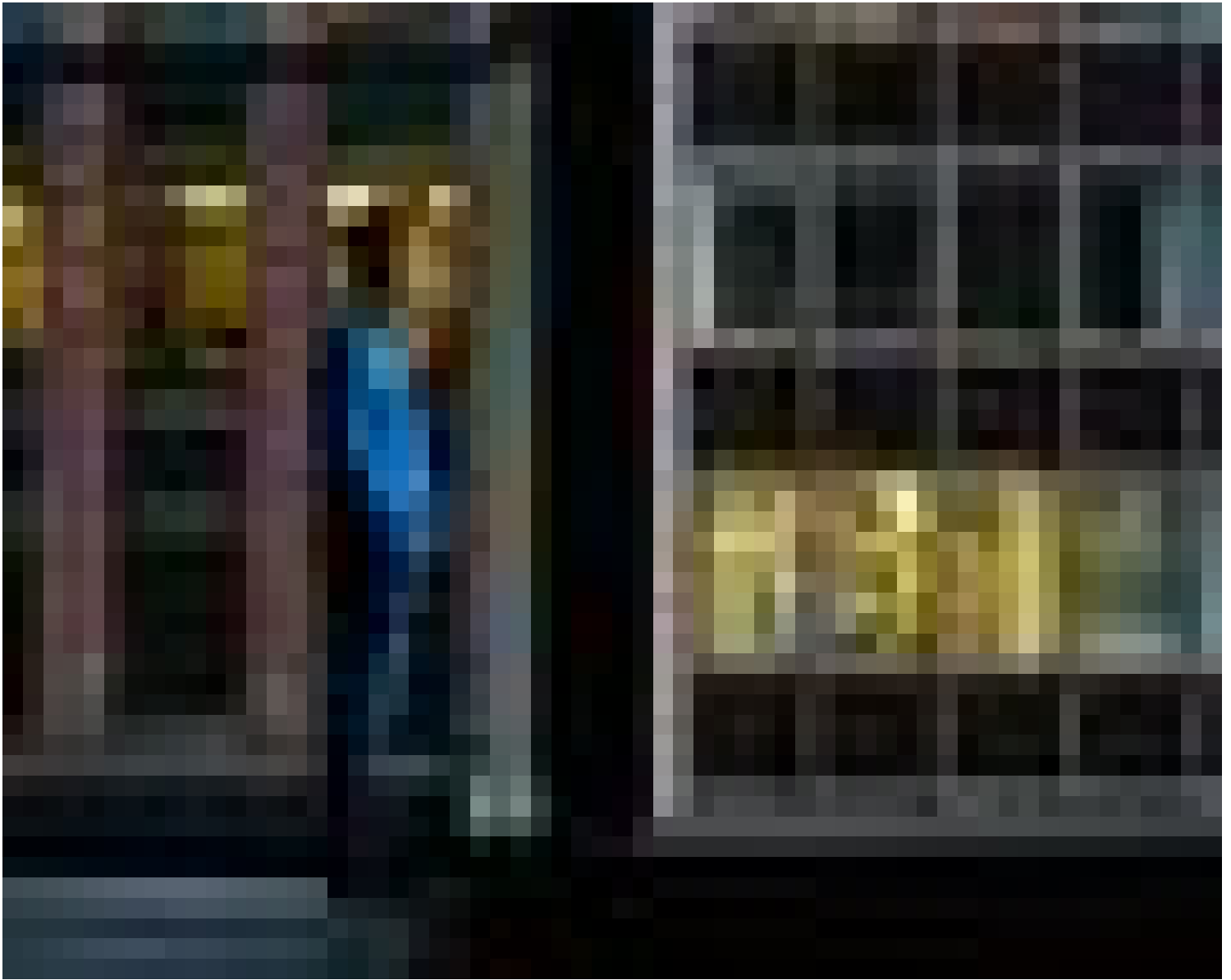
rise to high-frequency trading firms that came to dominate major markets around the world—companies including now-defunct Getco and current powerhouses such as Jump Trading Group, Citadel Securities and GTS.

Related Reading: Jump Names 25-Year-Old Former Intern as Crypto Head

Greco was among those radicals. He parlayed an electrical-engineering degree into a programming job at Getco, where he began in 2011. The Chicago-based firm was a quiet giant in trading, using computers to trade hundreds of billions of dollars a days—a major victory against big, powerful banks for geeks with unconventional backgrounds.

Now, Greco, who is 38, is passing the baton to a new offbeat cadre. What Getco accomplished, “it felt like the future,” said Greco, who joined GTS this year and got a senior role at Radkl. “As Aaron gets more integrated and we ramp up, he’s going to see the future, too.”

Greco said Radkl will have 25 employees by the end of March and hopes to quadruple that in a couple years. He sees trading several billion dollars a day on exchanges by the end of the first quarter, and a similar amount on decentralized platforms, which drive much of DeFi, in a quarter or two after that.



“In trading, if you stay the same, you’re dead,” says Radkl’s Jim Greco. *Photographer: Christopher Goodney/Bloomberg*

Lammer’s experience may not obviously point to a role in this, but in hindsight it makes sense. After studying English at Wesleyan University, he moved to New York City in 2004 and soon after began working at W. W. Norton & Co., editing and writing copy for cookbooks. He quit to become a “book doctor” doing surgery on drafts to elevate the writing. One was a bestseller published before his 25th birthday. “That was a confidence builder,” he said, and provided a hint about his new role trading someone else’s money.

In college, he had formed a band with a childhood friend he was living with. (Lammer, who writes songs and produces, doesn’t participate in live performances). Francis and the Lights, as they came to be known, put out EPs and played gigs around New York but hadn’t gotten huge. Then the hip-hop world reached out. Lammer and bandmate Francis Farewell Starlite co-wrote “Karaoke,” a song on Drake’s 2010 debut album. Kanye West and Bon Iver contributed to “Friends,” a Francis and the Lights song, while the band’s “Morning” was the “Keeping Up With the Kardashians” theme song for the past few years.

Lammer co-founded Longform.org in 2010. Not unlike his experience in crypto, “what I had intended to be a hobby project and probably resembles one from the outside—but we were getting enough traffic—became a job and a business,” he said. A Longform podcast was launched, which eventually led to one crypto show called “CoinTalk” and then this year’s “Exit Scam” about the collapse of a cryptocurrency exchange and whether its founder really died.

A podcast, though not one of his own, led to the Radkl job. He appeared on Bloomberg’s Odd Lots in May to talk yield farming and other DeFi concepts. Radkl’s Greco was listening. Afterward, “I hit him up on Twitter, said I learned a ton,” Greco said. “No idea what we want to do in DeFi, but let’s chat.” Chatting turned into hiring.

Listen: “Odd Lots” podcast with Aaron Lammer

GTS makes its money in the stock market by supplying liquidity when others want to trade, buying when those investors want to sell, and vice versa. At the NYSE, it has an important title: designated market maker. Much of its business depends on central order books where market makers like GTS can post bids and offers for everyone to see.

There are central order books in crypto, too, at exchanges like Coinbase and FTX. But much of the trading in DeFi hinges on a math equation. In this world, there’s something called an automated market maker, or AMM. Though that sounds like GTS’s NYSE role, there’s little or no resemblance. Traders deposit crypto tokens into a liquidity pool at an AMM like Uniswap. When someone else decides to convert one token into another, a smart contract does that automatically, with a formula deciding the price.

“If you’d asked me two years ago, I would’ve said, ‘OK, we’re on FTX and Coinbase in futures and spot, that’s all we need,’” Greco said. “But now we’re bringing Aaron on for a DeFi world that barely existed a year ago. We want to participate in liquidity pools, automated market making and a whole bunch of other areas of DeFi because there’s a strong need for people with knowledge of risk transfer. We plan to enter the NFT space and whatever else pops up.”

Lammer’s ability to teach Greco something stemmed from years of tinkering. The “CoinTalk” podcast, launched in 2018, was built around the premise that “we were going to do all the crypto stuff and try it all and let the audience live vicariously through us,” Lammer said. That led them to explore “the silliest fringes of crypto,” including getting scammed on a token called Sumokoin.

By then, Bitcoin had been around for a few years. The 2008 white paper that introduced it was crypto’s Big Bang, creating something that investors now hoard like a digital version of gold and debuting a digital ledger called blockchain to track its ownership.

But Lammer’s path was guided by Ethereum going live in 2015, which conjured a broader use for blockchains: a decentralized global computer that can run software called smart contracts. Yes, there’s

a cryptocurrency tied to Ethereum—it's called Ether—that, like Bitcoin, has made massive fortunes for people by zooming higher. That's the icing, though. The cake is the apps, known as dApps, that run on Ethereum, which powers much of DeFi, or up-and-comers like Solana.

Lammer said one of his earliest smart-contract experiences was Augur, a prediction market where people can bet on whether something will happen or not. His goal was to create wagers that went viral. But even one of his biggest successes didn't create a gold mine. "I probably made \$2 on it. Volume was tiny. That's what people don't understand now. The biggest dApps then, you were balling if you had 1,000 users. There was no one doing this stuff."

The pandemic era changed that. Investors flooded in and DeFi went nuts with new projects, new infrastructure and big dollars. The field is "drawing in people to play with a giant multiplayer game," Lammer said. "People don't like it when there's real money involved that you call it a game, but there's a lot of strategic elements of mass collaboration, non-zero-sum thinking. If more people come to DeFi, everyone currently in DeFi is succeeding. That drew me back in."

Big DeFi Dollars

The amount deposited in DeFi projects has soared since 2020

Source: DefiLlama

One way Lammer can help Radkl make inroads in this world is through staking. Bitcoin and, for the moment, Ethereum depend on miners to solve cryptographic puzzles to record transactions on the blockchain and spawn new Ether coins—a process called "proof of work" that guzzles power. Ethereum is close to shifting over to a more energy-efficient system—known as "proof of stake"—in which owners of a cryptocurrency can pledge their coins to keep the network running.

It's conceptually somewhat akin to buying a certificate of deposit from a bank. While your money is locked up, you get paid rewards, which can come in various forms like new tokens, the interest other investors pay to borrow the coins you've staked or fees paid by people trading or doing other stuff on the blockchain where you've staked. "One of the parts I find cool about DeFi is it's a DIY movement where people get value for things," Lammer said.

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The path to becoming a Wall Street DeFi trader started a quarter century ago with a modem and the phone numbers for Bulletin Board Systems, text-based platforms that preceded the web. You'd dial in and chat with other users, download software or play games. Lammer's dad used The WELL—a BBS created by Stewart Brand, a futurist and 1960s counterculture icon who founded the "Whole Earth Catalog," and Larry Brilliant, who helped extinguish smallpox—to trade Grateful Dead tapes through the mail from their home in Berkeley, California. That primed his son for digital music-sharing services like Napster and LimeWire. (The latter, coincidentally, was founded by Mark Gorton, who also formed GTS rival Tower Research Capital.)

"When I look at DeFi and what excites me about it, it's the same kind of energy," Lammer said. Crypto, he explained, has a "spirit of exploration and open internet culture that feels like an echo" of the BBS and file-sharing days.

He moved with his family at the beginning of the pandemic to Long Island, to an area where "a fair amount of finance people have summer homes—not the Hamptons, but on the way there." At the playdates and birthday parties his daughter goes to, he's gravitated toward parents who work in finance. He explains DeFi to many of them. "Those are people who are financially savvy and maybe own some crypto but have no understanding of DeFi but are totally fascinated once you tell them about it," Lammer said.

His sales pitch resonated with Greco. "He is able to not only describe the stuff but relate it in a way where we could get comfortable with it as a firm," Greco said.

In the Covid era, meme stocks like GameStop and AMC Entertainment have given a taste of how an army of newcomers with an oblique perspective on markets can upend things. "Crypto is that on steroids. And DeFi is crypto on steroids," Lammer said.

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