

WHAT IS SECOND LIFE? SHOWCASE BUSINESS PARTNERS DEVELOPERS COMMUNITY SUPPORT

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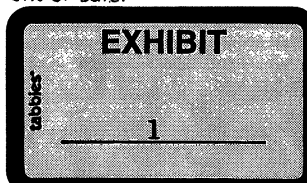
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Your Account: Marc Woebegone: Land

Land

Owned Parcels

Name	Location	Size
Maekju 001 (128,128) 2048 m2 Beatiul penninusla rent or sale.	Maekju (160,112)	4096
Hodu 001 (128,128) 1024 m2 Mature Roadside One Sim to Ocean	Hodu (176,144)	1024
Hodu 001 (128,128) 512 m2 for development of any kind.	Hodu (80,248)	512
Cupideo Slingo. Where Luck Meets the Ocean and U Win! Danpoon	Danpoon (94,62)	528
Hodu 001 (128,128) 512 m2 for development of any kind.	Hodu (108,232)	512
Ho Su 001 (128,128) Mature 1024m2 Ocean Views and Hill Tops.	Ho Su (208,48)	1024
Maekju 001 (128,128) 1024 m2 Beatiul penninusla rent or sale.	Maekju (208,208)	1024
Ho Su 001 (128,128) Mature 4096m2 Ocean Views and Hill Tops.	Ho Su (128,48)	4096
Maekju 001 (128,128) 4096 m2 Beautiful coast penninsusa prop.	Maekju (64,64)	4096
Atlas 001 (82,48) 1904 m2	Atlas (106,72)	1904
Juree Mature 512 m2. Very buildable	Juree (176,152)	512
Ho Su 001 (128,128) Mature 1024m2 Ocean Views and Hill Tops.	Ho Su (16,240)	1024
Hodu 001 (128,128) 512 m2	Hodu (16,136)	512
Hodu 001 (128,128) 512 m2	Hodu (16,120)	512
Hodu 001 (128,128) 1152 m2 Mature Roadside One Sim to Ocean	Hodu (174,16)	1152
Hodu 001 (128,128) 1328 m2 Mature roadside	Hodu (170,208)	1328
Chamnamoo 001 (128,128) 1,024 m2 Mature	Chamnamoo (16,208)	1024
Hodu 001 (128,128) 528 m2 for development of any kind.	Hodu (80,234)	528
Hodu 001 (128,128) 256 m2	Hodu (8,248)	256
Ho Su 001 (128,128) Mature 1024m2 Ocean Views and Hill Tops.	Ho Su (16,144)	1024
Maekju 001 (128,128) 4096 m2 Beatiul penninusla rent or sale.	Maekju (240,16)	1024



Maekju 001 (128,128) 1024 m2 Beatiul penninusla rent or sale.	Maekju (208,240)	1024
Hodu 001 (128,128) 512 m2	Hodu (16,40)	512
Cristat (14,94) - 800 m2	Cristat (14,114)	800
Maekju 001 (128,128) 1024 m2 Beautiful coast penninsusa prop.	Maekju (16,176)	1024
Jarang 512 m2 Mature Flat Land	Jarang (40,112)	512
Maekju 001 (128,128) 1024 m2 Beatiul penninusla rent or sale.	Maekju (144,208)	1024
Cupideo Casino, Video n Dance Club - Areumdeuli	Areumdeuli (112,248)	496
Chamnamoo 001 (128,128) 1024 m2 Mature	Chamnamoo (240,112)	1024
Ribeata (158,228) - 896 m2	Ribeata (138,238)	112
Hodu 001 (128,128) 27152 m2 for development of any kind.	Hodu (82,216)	1584
Hodu 001 (128,128) 256 m2	Hodu (8,216)	256
Hodu 001 (128,128) 1024 m2 Top of the hill. Commanding view.	Hodu (208,48)	1024
Hodu 001 (128,128) 1152 m2 Mature Roadside One Sim to Ocean	Hodu (174,176)	1152
Maekju 001 (128,128) 1024 m2 Beautiful coast penninsusa prop.	Maekju (16,80)	1024
Hodu 001 (128,128) 512 m2	Hodu (16,56)	512
Hodu 001 (128,128) 256 m2	Hodu (24,200)	256
Chamnamoo 001 (128,128) 1024 m2 Mature	Chamnamoo (240,80)	1024
Hodu 001 (128,128) 512 m2	Hodu (16,88)	512
Bembecia Mature Flat Land 640m2 Road side	Bembecia (124,114)	640
Danpoon Mature 3536 m2 Ocean View Property	Danpoon (142,214)	2512
Hodu 001 (128,128) 256 m2	Hodu (24,248)	256
Hodu 001 (128,128) 512 m2 for development of any kind.	Hodu (76,232)	512
Cupideo Video n Rave Dance Club in Danpoon	Danpoon (178,190)	560
Chamnamoo 001 (128,128) 1024 m2 Mature	Chamnamoo (208,16)	1024
Ho Su 001 (128,128) Mature 1024m2 Ocean Views and Hill Tops.	Ho Su (16,176)	1024
Chamnamoo 001 (128,128) 1056 m2 Mature	Chamnamoo (234,214)	1056
Ho Su 001 (128,128) Mature 65536m	Ho Su (240,16)	1024
Maekju 001 (128,128) 4096 m2 Beatiul penninusla rent or sale.	Maekju (160,16)	4096
Maekju 001 (128,128) 4096 m2 Beautiful coast penninsusa prop.	Maekju (64,128)	4096
Chamnamoo 001 (128,128) 1024 m2 Mature	Chamnamoo (240,48)	1024
Maekju 001 (128,128) 4096 m2 Beatiul penninusla rent or sale.	Maekju (160,80)	4096
Hodu 001 (128,128) 27152 m2 for	Hodu (60,200)	896

development of any kind.		
Jarang 512 m2 Mature Flat Land	Jarang (80,168)	512
Songji - Mature Perfect Ocean View Property - Neg on sz n \$	Sonagi (14,186)	336
Maekju 001 (128,128) 32768 m2 Beatiul penninusla rent or sale.	Maekju (176,208)	1024
Maekju 001 (128,128) 4096 m2 Beatiul penninusla rent or sale.	Maekju (240,80)	1024
Cupideo Casino Vid n Dance Club in Saeneul	Saeneul (144,216)	512
Maekju 001 (128,128) 8192 m2 Beatiul penninusla rent or sale.	Maekju (192,160)	8192
Chamnamoo 001 (128,128) 4512 m2 Mature	Chamnamoo (204,144)	4528
Hodu 001 (128,128) 512 m2	Hodu (16,168)	512
Ho Su 001 (128,128) Mature 1024m2 Ocean Views and Hill Tops.	Ho Su (16,208)	1024
Danpoon Mature Ocean Front Property 2,048	Danpoon (228,134)	2048
Maekju 001 (128,128) 4096 m2 Beatiul penninusla rent or sale.	Maekju (160,48)	4096
Maekju 001 (128,128) 1024 m2 Beautiful coast penninsusa prop.	Maekju (80,240)	1024
Maekju 001 (128,128) 1024 m2 Beatiul penninusla rent or sale.	Maekju (240,240)	1024
Hodu 001 (128,128) 512 m2 for development of any kind.	Hodu (48,248)	512
Chamnamoo Prime Mature Flat Roadside Land 1,024) 1024m2	Chamnamoo (106,118)	3696
Noonkkot First Land	Noonkkot (248,240)	512
Cupideo Art Walk in Danpoon at The Breakers 6048 m2	Danpoon (58,94)	8928
Atlas 001 (82,48) 9904 m2	Atlas (134,54)	16
Cupideo Casino. SLingo, Condos, Casino and Dance in Danpoon	Danpoon (116,128)	24704
Hodu 001 (128,128) 4096 m2 Top of the hill. Commanding view.	Hodu (224,96)	4096
Wooson 1024m2 Mature Land near water	Wooson (250,200)	192
Maekju 001 (128,128) 2048 m2 Beautiful coast penninsusa prop.	Maekju (80,192)	2048
Hodu 001 (128,128) 4096 m2 Top of the hill. Commanding view	Hodu (224,224)	4096
Cupideo Video n Dance Club in Danpoon	Danpoon (184,222)	896
Wooson 1024m2 Mature Land near water	Wooson (240,208)	832
Hodu 001 (128,128) 256 m2	Hodu (24,232)	256
Chamnamoo 001 (128,128) 59232 m2	Chamnamoo (16,240)	1024
Hodu 001 (128,128) 61008 m2	Hodu (154,186)	48
Linden Land	Agamok (194,162)	16
Maekju 001 (128,128) 4096 m2 Beatiul penninusla rent or sale.	Maekju (240,48)	1024
Hodu 001 (128,128) 1024 m2 Mature	Hodu (176,112)	1024

Roadside One Sim to Ocean		
Chamnamoo 001 (128,128) 1024 m2 Mature	Chamnamoo (240,16)	1024
Maekju 001 (128,128) 4096 m2 Beatiul penninusla rent or sale.	Maekju (112,192)	4096
Danpoon Mature 1024 m2 Ocean View Property	Danpoon (142,246)	1024
Hodu 001 (128,128) 256 m2	Hodu (8,200)	256
Hodu 001 (128,128) 448 m2 for development of any kind.	Hodu (110,248)	448
Hodu 001 (128,128) 1024 m2 Top of the hill. Commanding view.	Hodu (208,16)	1024
Hodu 001 (128,128) 512 m2	Hodu (16,104)	512
Cupideo Casino at The Breakers in Danpoon	Danpoon (228,182)	3776
Hodu 001 (128,128) 1024 m2 Top of the hill. Commanding view.	Hodu (240,48)	1024
Cupideo Casino, Vid n Dance Club - Dotoorak	Dotoorak (216,48)	432
Cristat (148,124) - 544 m2	Cristat (160,136)	160
Maekju 001 (128,128) 1024 m2 Beautiful coast penninsusa prop.	Maekju (48,176)	1024
Hodu 001 (128,128) 512 m2	Hodu (16,152)	512
Hodu 001 (128,128) 512 m2	Hodu (16,72)	512
Chamnamoo 001 (128,128) 3136 Roadside Mature	Chamnamoo (128,102)	3136
Maekju 001 (128,128) 2048 m2 Beatiul penninusla rent or sale.	Maekju (240,112)	1024
Maekju 001 (128,128) 2048 m2 Beautiful coast penninsusa prop.	Maekju (16,32)	2048
Hodu 001 (128,128) 1024 m2 Top of the hill. Commanding view.	Hodu (240,16)	1024
Hodu 001 (128,128) 1504 m2 mature roadside near ocean sim	Hodu (168,240)	1504
Maekju 001 (128,128) 2048 m2 Beautiful coast penninsusa prop.	Maekju (16,128)	2048

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Your Account: Marc Woebegone: Land

Land

You do not own any parcels.

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Main Identity

From: <land@secondlife.com>
To: <msb@lawy-ers.com>
Sent: Saturday, February 25, 2006 4:00 PM
Subject: Second Life Auction: Item Won! Cristat (14,94) - 1792 m2

Congratulations Marc Woebegone!

You have agreed to purchase the following item from Second Life:

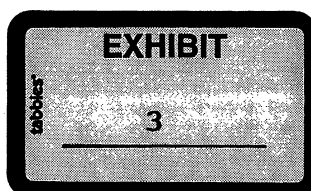
Auction ID: 0026198057
Item: Cristat (14,94) - 1792 m2
Winning Bid: L\$9,010

Please go to the below link and pay for your auction:
<http://secondlife.com/auctions/detail.php?id=0026198057>

You will need to go in-world and claim the land within seven days. If you encounter a problem, email land@secondlife.com.

Please note: be sure to have enough land tier available before claiming your land, or you will be prompted to tier-up.

Linden Lab and the Second Life Team
<http://www.secondlife.com>



6/9/2006

Main Identity

From: <land@secondlife.com>
To: <msb@lawy-ers.com>
Sent: Monday, February 27, 2006 3:55 PM
Subject: Second Life Auction: Billing Failure

Congratulations Marc Woebegone!

You have agreed to purchase the following item from Second Life:

Auction ID: 0026198076
Item: Songi - 001 - 65536 m2
Winning Bid: US\$1605.00

Unfortunately we were unable to bill your account. In order to correct this problem, please review your Membership and billing information to ensure that everything is accurate and up to date. If the information you have listed is accurate and correct, you may wish to contact your bank or credit card issuer or paypal (depending on your payment method). Common errors include mismatched addresses, expired credit cards and incorrect expiration dates. Please contact land@secondlife.com within seven days if you do not wish to forfeit this item.

To review or modify your account details, or to change or cancel your Membership Plan, visit <https://secondlife.com/account>.

Linden Lab and the Second Life Team
<http://www.secondlife.com>

6/9/2006

Main Identity

From: <land@secondlife.com>
To: <msb@lawy-ers.com>
Sent: Tuesday, February 28, 2006 11:02 PM
Subject: Second Life Auction: Item Won! Ribeata (158,228) - 5104 m2

Congratulations Marc Woebegone!

You have agreed to purchase the following item from Second Life:

Auction ID: 0026198022
Item: Ribeata (158,228) - 5104 m2
Winning Bid: L\$32,010

Please go to the below link and pay for your auction:
<http://secondlife.com/auctions/detail.php?id=0026198022>

You will need to go in-world and claim the land within seven days. If you encounter a problem, email land@secondlife.com.

Please note: be sure to have enough land tier available before claiming your land, or you will be prompted to tier-up.

Linden Lab and the Second Life Team
<http://www.secondlife.com>

Main Identity

From: <land@secondlife.com>
To: <msb@lawy-ers.com>
Sent: Thursday, April 13, 2006 7:11 AM
Subject: Second Life Auction: Item Won! Ho Su 001 (128,128) Mature 65536m

Congratulations Marc Woebegone!

You have agreed to purchase the following item from Second Life:

Auction ID: 0026198344
Item: Ho Su 001 (128,128) Mature 65536m
Winning Bid: US\$1,501

Please go to the below link and pay for your auction:

<http://secondlife.com/auctions/detail.php?id=0026198344>

You will need to go in-world and claim the land within two days. If you encounter a problem, email land@secondlife.com.

Please note: be sure to have enough land tier available before claiming your land, or you will be prompted to tier-up.

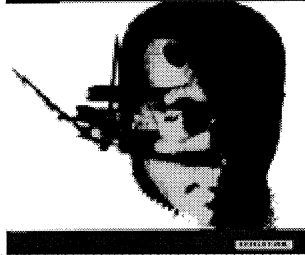
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6/9/2006

Capitalism 2.0

Succeeding amid accelerating dynamicism. (www.capitalism2.org)

Randolph Harrison

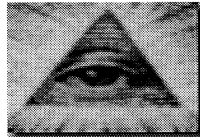


« One Bubble of a Ride | Main

Tuesday, February 20, 2007

The Linden dollar Game

On Schemes Resembling Objects of Intersecting Trilateral Sides upon a Polygonal Base



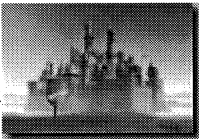
In a previous article I asked some very tough questions about the Second Life virtual economy. That article provocatively proposed a case as to why I believe Second Life's much hyped economy resembles a pyramid Ponzi, or more accurately a type of

high yield investment program (HYIP) scheme. After posting that article I was partially convinced by many respondents that Second Life probably is not a Ponzi scheme as a precise legal definition -- at least probably not in most jurisdictions. Indeed, after learning more about HYIPs, and in particular HYIP Games, Second Life and the game's system of "virtual currency" satisfy many of the attributes of such schemes. More about HYIPs later. First, some background:

Brief Background

I covered the background of Second Life in some detail in my previous article. Second Life is a type of online computer game often referred to as a *Virtual World*. Virtual Worlds, while marketed as computer games and produced by computer game developers, are thought by many to represent the natural evolution of the web. In fact, there are probably myriad noble and interesting applications of Virtual Worlds to things like education and community collaboration.

What I am concerned about here is *only* the virtual economy or virtual marketplace aspect of Second Life. It is the claims of real gold in the Second Life virtual hills that has caused most of the recent media hype around the game. The makers of Second Life, Linden Research (privately held; San Francisco; funded by Benchmark Capital et. al., "Linden Labs", "LL") themselves actively encourage this view of Second Life, judging from self-promoting links on Linden's own official Second Life website:



- **Second Life: It's not a game** Fortune's David Kirkpatrick reports on why IBM's Sam Palmisano and other tech leaders think **Second Life could be a gold mine**.
- **I got my job through Second Life** Looking for work? Your best bet may be an interview in virtual reality. Fortune's Katie Benner explores the cutting edge of corporate recruitment.
- **Starting a Second Life Business** Find out what entrepreneurial opportunities the virtual world of



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- RE Scenario Calc. (C. Kaiser)
- The Bublizer (P. Ashby)

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RECENT COMMENTS

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EXHIBIT

tabbles

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Game

inside SL on The Linden dollar Game

robusticus on The Linden dollar Game

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Finance CV (PDF)

Tech Entrepreneur CV (PDF)

REFERENCE RESOURCES

FeedDemon (RSS News Reader)

Mental Accounting Matters

BUSINESS REFERENCE TEXTS

Adam M. Brandenburger: Co-Opetition : A Revolution Mindset That Combines Competition and Cooperation : The Game Theory Strategy That's Changing the Game of Business

Avinash K. Dixit: Games of Strategy

Cliff Ragsdale: Spreadsheet Modeling and Decision Analysis

David Besanko: Economics of Strategy

John C. Hull: Options, Futures, and Other Derivatives (5th Edition)

Joseph E. Stiglitz: Globalization and Its Discontents

Kenneth M. Morris: The Wall Street Journal Guide to Understanding Personal Finance, Fourth Edition

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N. Gregory Mankiw: Macroeconomics

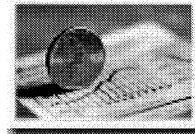
Piet Sercu: International

Second Life has to offer.

Where There's Smoke...

In that now infamous article I concluded that Second Life's supposed economy wasn't a whole lot more than a typical pyramid scheme, where most of the money paid in by new recruits ends up realized by the organizers and a handful of early entrants. I was promptly assured by any number of the Second Life faithful that I was wrong, and that there were literally thousands upon thousands of real, financially valuable businesses making money, providing jobs, growing at astonishing rates, and redeeming their virtual Linden dollars (L\$) for real money.

I challenged the Second Life community to offer forth a typical, average business for quantitative financial analysis. In fairness, a handful of apparently honest folks came forward with offers to participate; even one of the most well known of the "virtual oligarchs" (one of those in the handful of players at the top of the virtual economy) signaled some interest in the project.



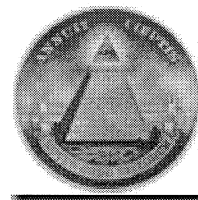
Things took a hard turn when I was forced to cancel that project along with most of my Second Life public discussions and debates. Perhaps I can discuss the particulars later, but suffices for now to say that many in the Second Life community have zero tolerance for critics and criticism.

Nonetheless, I did become more curious after the severe anti reaction I received. Especially so when even seemingly objective researchers and academics took a see-no-evil attitude, dismissing my analyses without serious treatment.

Even though I played the game myself on and off for more than two years, up until the middle of last year, I was still surprised. The economic part of the game was always there, but never as a source of practically religious devotion. *What the hell is going on in Second Life?*

Redeemable Virtual Tokens

The L\$ is often referred to as a virtual currency. In fact, it is not a currency at all. It is a micropayment token system. I have been around micropayment systems for many years in their application to mobile phone carriers. *The Economist* (Feb. 17, 2007) features a cover story that includes discussions about micropayments vis-à-vis digital cash.



Most justifications for why Linden Research had to create the L\$ center around micropayment issues. In reality, telecoms, Apple iTunes, Microsoft, and others have proven that floating an independent currency is not requisite to enabling a functional micropayment system. I myself am partial to the iTunes batch-billing approach, keeping payments denominated in real currencies. Even the more prepaid-credit approaches taken by Microsoft in the Xbox Live Marketplace avoid the complications of currency management introduced by independent, pseudo currencies like the L\$.

Regardless of the reasons, the fact remains that the Linden dollar is *objectively not a currency*. In Linden's Terms of Service agreement, sections 3.3 and 5.3, Linden clearly states that players have no financial or legal claim to their L\$, and

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William Easterly: The Elusive Quest for Growth : Economists' Adventures and Misadventures in the Tropics

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Bruce Tate: Bitter Java

Cristian S. Calude: Information and Randomness : An Algorithmic Perspective (Texts in Theoretical Computer Science. An EATCS Series)

Erich Gamma: Design Patterns: Elements of Reusable Object-Oriented Software (Addison-Wesley Professional Computing Series)

James Carey: San Francisco (tm) Design Patterns: Blueprints for Business Software

Melanie Mitchell: An Introduction to Genetic Algorithms (Complex Adaptive Systems)

Robert Ghanea-Hercock: Applied Evolutionary Algorithms in Java

William H. Press: Numerical Recipes in C : The Art of Scientific Computing

SOFTWARE BLOG (BETA)

that L\$ are a consumable entertainment product which can be revoked or deleted at any time, without reason. Not quite up the standard of a fiat currency.

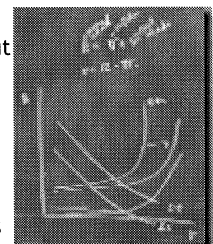
But Linden Research does promote, market, and manage the L\$ as if it were a legitimate, independent fiat currency. They operate an official "virtual currency exchange", the LindeX, on which players can either buy L\$ with real money or redeem L\$ for real money deposits to their PayPal or bank accounts. And the redemption rate, or as they call it "exchange rate" implying the Forex equivalent of that term, *is floating*.

The Wiki on the Linden dollar asserts (emphasis added):

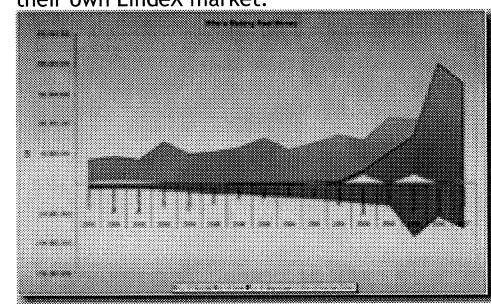
Residents may purchase L\$ directly through the client, or convert between Linden currency and U.S. currency through either Linden Lab's currency brokerage, the LindeX Currency Exchange, or other third-party currency exchanges. The ratio of USD to L\$ fluctuates daily as Residents set the buy and sell price of L\$ offered on the exchange, and fluctuated between L\$240/USD and L\$350/USD between October 2005 and September 2006.

Virtual Interventionists

There are all kinds of macroeconomic tangents I could take at this point. Without straying too far, we can safely say that Linden Research has taken on the role as "virtual central banker", and "virtual treasury", in minting and distributing their own "virtual currency". (The Second Life economy is built upon a system of "sources and sinks" which, while sometimes cited as a monetary control lever, really more represent the virtual economy's fiscal policy.)



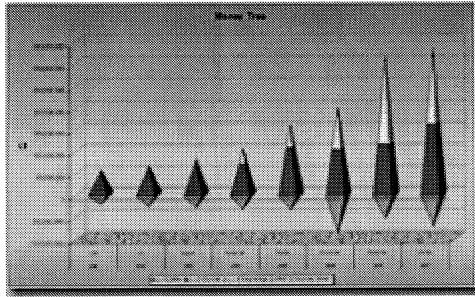
The exchange rate is not freely set by supply and demand; it is not a floating exchange rate. In recent months, Linden Research has sold relatively large amounts of L\$ themselves on their own LindeX market.



Clearly a form of seigniorage (selling newly minted currency for net revenues), Linden claims they do this in order to manage L\$ / \$USD volatility. In other words, they want to keep the redemption rate stable, right around the L\$250-L\$300 per \$1USD range. Currency intervention.

More economically astute readers will immediately recognize the conceptual and logical hazards and complications this implies. Managing exchange rates of currencies is something which is extremely difficult, and terribly expensive to do over any period of time. The lack of theoretical limits to how weak or strong various interests wish for a virtual currency to become

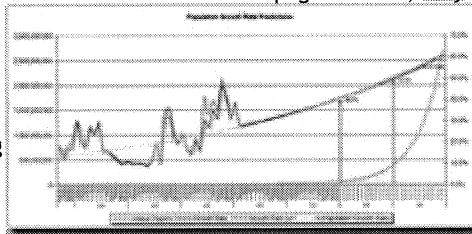
only further complicates an interventionist strategy.



So, Linden Research is selling L\$ which they print themselves. Players buy the L\$ with real money, but they don't really own the L\$ they bought. And, Linden Research uses the LindeX pseudo-Forex exchange market in order to stabilize the redemption rate of these virtual L\$ tokens. So, will Linden be so willing to buy back L\$ when demand falters?

Growth, Growth, Growth

Linden has boasted unbelievable growth numbers, even proudly displaying them on their Second Life home page. In fact, Clay Shirky didn't believe the numbers, and challenged them in myriad forums (earning him fierce sometimes slanderous attacks from the Second Life faithful). Eventually, Linden acquiesced ("Overcounts", Shirky) and provided more thoughtful statistics which showed that Second Life, while indeed growing rapidly as measured by first-time-visitors (account creations), in fact has only about 200,000 active users (those investing more than a week of time into the game).



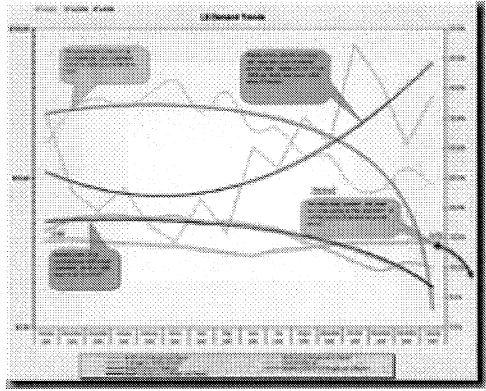
From my perspective, these overcounts and growth exaggerations further aggravate my initial HYIP claims. Simply, Linden Research cannot count on perpetual growth, given their own reported statistics, to support the L\$ / \$USD redemption rate. **They will have to start buying back a lot of L\$ in the near future. Or, more likely, the L\$ will just devalue rapidly, leaving everyone with money left in the game S.O.L.**

Not Just Words

I love narratives as much as any other blogger. But, the proof is in the numbers. I've taken the liberty to put Linden Research's own data through my analysis grinder, and I offer my results.

I created all these analyses from Linden Research provided data, using Microsoft Excel, Crystal Ball, SAS and my hp 49 g+. Click the graphs to see the full size versions.

Conclusion: The L\$ to \$USD redemption rate depends upon unrealistic growth assumptions.



The growth (charted in the previous section) depends upon the assumption of an exponential growth curve (yielding a coefficient of determination of 0.70). Inspecting the actual forecast values clearly demonstrates the flaw in this assumption.

Year	Unique Players	Registrations	Revenue	Profit	Operating Expenses	Capital Expenses	Depreciation	Income Tax	Net Income
2006	10,000,000	1,000,000	\$100,000,000	\$20,000,000	\$80,000,000	\$10,000,000	\$5,000,000	\$10,000,000	\$10,000,000
2007	14,000,000	1,400,000	\$140,000,000	\$28,000,000	\$112,000,000	\$14,000,000	\$7,000,000	\$14,000,000	\$14,000,000
2008	19,600,000	1,960,000	\$196,000,000	\$39,200,000	\$156,800,000	\$19,600,000	\$9,800,000	\$19,600,000	\$19,600,000
2009	27,440,000	2,744,000	\$274,400,000	\$54,880,000	\$219,520,000	\$27,440,000	\$13,720,000	\$27,440,000	\$27,440,000
2010	38,416,000	3,841,600	\$384,160,000	\$76,832,000	\$307,328,000	\$38,416,000	\$19,208,000	\$38,416,000	\$38,416,000
2011	53,782,400	5,378,240	\$537,824,000	\$107,564,800	\$430,259,200	\$53,782,400	\$26,881,600	\$53,782,400	\$53,782,400
2012	75,295,360	7,529,536	\$752,953,600	\$150,590,720	\$602,362,880	\$75,295,360	\$37,637,680	\$75,295,360	\$75,295,360
2013	105,813,504	10,581,350	\$1,058,135,040	\$211,627,008	\$846,508,032	\$105,813,504	\$52,707,136	\$105,813,504	\$105,813,504
2014	148,138,905	14,813,890	\$1,481,389,050	\$296,277,810	\$1,185,111,240	\$148,138,905	\$73,663,808	\$148,138,905	\$148,138,905
2015	207,394,467	20,739,446	\$2,073,944,670	\$414,788,934	\$1,659,155,736	\$207,394,467	\$102,771,936	\$207,394,467	\$207,394,467
2016	290,352,254	29,035,225	\$2,903,522,540	\$569,704,508	\$2,333,818,032	\$290,352,254	\$141,411,904	\$290,352,254	\$290,352,254
2017	406,093,155	40,609,315	\$4,060,931,550	\$781,186,311	\$3,279,745,239	\$406,093,155	\$203,143,808	\$406,093,155	\$406,093,155
2018	568,530,417	56,853,041	\$5,685,304,170	\$1,114,061,622	\$4,571,242,548	\$568,530,417	\$284,207,104	\$568,530,417	\$568,530,417
2019	795,942,183	79,594,218	\$7,959,421,830	\$1,552,883,444	\$6,406,538,386	\$795,942,183	\$397,884,416	\$795,942,183	\$795,942,183
2020	1,101,719,056	110,171,905	\$11,017,190,560	\$2,140,812,168	\$8,876,378,392	\$1,101,719,056	\$546,511,616	\$1,101,719,056	\$1,101,719,056
2021	1,546,406,677	154,640,667	\$15,464,066,770	\$2,913,614,822	\$12,550,451,948	\$1,546,406,677	\$755,015,232	\$1,546,406,677	\$1,546,406,677
2022	2,150,969,327	215,096,932	\$21,509,693,270	\$3,951,938,650	\$17,557,754,620	\$2,150,969,327	\$1,072,521,728	\$2,150,969,327	\$2,150,969,327
2023	2,999,351,057	299,935,105	\$29,993,510,570	\$5,399,102,460	\$24,594,408,110	\$2,999,351,057	\$1,470,792,384	\$2,999,351,057	\$2,999,351,057
2024	4,199,091,479	419,909,147	\$41,990,914,790	\$7,358,539,360	\$34,632,375,430	\$4,199,091,479	\$2,077,923,328	\$4,199,091,479	\$4,199,091,479
2025	5,878,728,071	587,872,807	\$58,787,280,710	\$10,011,916,168	\$48,775,364,542	\$5,878,728,071	\$2,871,982,976	\$5,878,728,071	\$5,878,728,071
2026	8,209,819,299	820,981,929	\$82,098,192,990	\$13,616,651,424	\$68,481,541,566	\$8,209,819,299	\$3,919,776,384	\$8,209,819,299	\$8,209,819,299
2027	11,301,707,018	1,130,170,701	\$113,017,070,180	\$18,442,069,972	\$94,575,000,208	\$11,301,707,018	\$5,311,105,728	\$11,301,707,018	\$11,301,707,018
2028	15,618,391,625	1,561,839,162	\$156,183,916,250	\$24,938,915,960	\$131,245,000,290	\$15,618,391,625	\$7,168,127,936	\$15,618,391,625	\$15,618,391,625
2029	21,665,748,215	2,166,574,821	\$216,657,482,150	\$34,135,492,160	\$182,521,990,000	\$21,665,748,215	\$9,667,002,304	\$21,665,748,215	\$21,665,748,215
2030	30,012,037,099	3,001,203,709	\$300,120,370,990	\$46,378,866,816	\$253,741,504,174	\$30,012,037,099	\$13,059,903,232	\$30,012,037,099	\$30,012,037,099
2031	41,416,851,438	4,141,685,143	\$414,168,514,380	\$62,915,929,299	\$351,252,585,081	\$41,416,851,438	\$17,782,272,384	\$41,416,851,438	\$41,416,851,438
2032	56,383,591,012	5,638,359,101	\$563,835,910,120	\$85,851,250,112	\$477,984,660,008	\$56,383,591,012	\$24,019,969,280	\$56,383,591,012	\$56,383,591,012
2033	77,137,117,416	7,713,711,741	\$771,371,174,160	\$115,586,540,160	\$655,784,634,000	\$77,137,117,416	\$32,027,136,384	\$77,137,117,416	\$77,137,117,416
2034	106,581,754,161	10,658,175,416	\$1,065,817,541,610	\$157,276,320,640	\$908,541,220,970	\$106,581,754,161	\$42,876,183,040	\$106,581,754,161	\$106,581,754,161
2035	145,606,444,815	14,560,644,481	\$1,456,064,448,150	\$213,964,608,832	\$1,242,100,839,318	\$145,606,444,815	\$58,007,052,288	\$145,606,444,815	\$145,606,444,815
2036	200,032,802,700	20,003,280,270	\$2,000,328,027,000	\$290,364,825,600	\$1,710,063,201,400	\$200,032,802,700	\$77,609,670,432	\$200,032,802,700	\$200,032,802,700
2037	276,045,323,760	27,604,532,376	\$2,760,453,237,600	\$392,886,518,400	\$2,367,566,719,200	\$276,045,323,760	\$105,463,192,704	\$276,045,323,760	\$276,045,323,760
2038	377,263,293,192	37,726,329,319	\$3,772,632,931,920	\$527,172,294,400	\$3,245,460,637,520	\$377,263,293,192	\$143,950,723,328	\$377,263,293,192	\$377,263,293,192
2039	519,966,600,368	51,996,660,036	\$5,199,666,003,680	\$711,529,984,000	\$4,488,136,019,680	\$519,966,600,368	\$191,920,964,416	\$519,966,600,368	\$519,966,600,368
2040	711,951,040,512	71,195,104,051	\$7,119,510,405,120	\$955,373,318,400	\$6,164,137,086,720	\$711,951,040,512	\$256,000,000,000	\$711,951,040,512	\$711,951,040,512
2041	971,634,454,688	97,163,445,468	\$9,716,344,546,880	\$1,280,861,024,000	\$8,435,483,522,880	\$971,634,454,688	\$341,440,000,000	\$971,634,454,688	\$971,634,454,688
2042	1330,167,013,728	133,016,701,372	\$13,301,670,137,280	\$1,721,148,352,000	\$11,580,521,785,280	\$1,330,167,013,728	\$455,008,000,000	\$13,301,670,137,280	\$13,301,670,137,280
2043	1825,831,618,176	182,583,161,817	\$18,258,316,181,760	\$2,315,037,184,000	\$15,943,279,000,000	\$1,825,831,618,176	\$606,720,000,000	\$18,258,316,181,760	\$18,258,316,181,760
2044	2496,023,265,664	249,602,326,566	\$24,960,232,656,640	\$3,113,650,176,000	\$21,846,582,480,640	\$2,496,023,265,664	\$815,008,000,000	\$24,960,232,656,640	\$24,960,232,656,640
2045	3411,231,569,728	341,123,156,972	\$34,112,315,697,280	\$4,151,627,328,000	\$29,960,688,369,280	\$3,411,231,569,728	\$1,086,720,000,000	\$34,112,315,697,280	\$34,112,315,697,280
2046	4654,603,199,360	465,460,319,936	\$46,546,031,993,600	\$5,534,523,776,000	\$41,011,508,217,600	\$4,654,603,199,360	\$1,455,008,000,000	\$46,546,031,993,600	\$46,546,031,993,600
2047	6352,824,472,832	635,282,447,283	\$63,528,244,728,320	\$7,412,691,136,000	\$56,115,553,592,320	\$6,352,824,472,832	\$1,943,008,000,000	\$63,528,244,728,320	\$63,528,244,728,320
2048	8647,112,044,928	864,711,204,492	\$86,471,120,449,280	\$9,950,521,504,000	\$76,520,598,945,280	\$8,647,112,044,928	\$2,615,008,000,000	\$86,471,120,449,280	\$86,471,120,449,280
2049	11703,556,260,736	1,170,355,626,073	\$117,035,562,607,360	\$13,334,318,016,000	\$103,701,244,591,360	\$11,703,556,260,736	\$3,480,000,000,000	\$117,035,562,607,360	\$117,035,562,607,360
2050	16012,846,562,944	1,601,284,656,294	\$160,128,465,629,440	\$18,080,634,240,000	\$142,047,831,409,440	\$16,012,846,562,944	\$4,640,000,000,000	\$160,128,465,629,440	\$160,128,465,629,440

Supporting the current regime in which Linden Research is always a net seller of L\$ in order to support (i.e. weaken) the L\$ compared to the \$USD, Second Life must register around 45 million unique players by the end of 2008; a growth rate of 40% per month by that point. (Using an exponential growth formula, with conservative initial conditions. This matches historical growth with R-Squared = 0.70).

Note, this is a *ceteris paribus* analysis. Linden Research could, and most certainly would attempt to use "virtual fiscal levers" with its series of controlled sources and sinks to strengthen the L\$ in the face of diminishing growth. I maintain, however, that these efforts will probably succeed only for very short durations and, like taxation in real world economies, ultimately produce far worse unintended negative outcomes. For example, attempting to support L\$ strength by forcing in-game deflation would almost certainly result in a serious "virtual recession" by depressing the game's "virtual commerce".

Growth is too volatile to count on going forward.

Absolute player growth, as measured by unique players and by registrations, produce equally volatile growth curves.