

NAME: Vivien Ayers

ARTICLE HEADLINE: From electric vehicles to cryptocurrency: history, breakdown of Austin-based company Volcon

Mid-construction of a wedding venue and winery on his Ohio property in 2023, Dale Perkowski came to a realization that this project wasn't possible without more funds.

While Perkowski and his wife had savings from their daily jobs, he knew the amount of money needed to finish construction could not be covered in a reasonable time. He saw one alternative to gain that money fast, one that no investor likes resorting to — selling stock at a loss.

That stock was in [ePowersports company Volcon](#), which had only gone public on the stock market two years before. All of the company's products would be electric, and the company produced its first off-road vehicle, the Grunt, in 2021 with the promise that two other units, the Beast and the Stag, would be introduced by the end of 2022. However, public trust diminished over the years because the company did not deliver on their promises, with the production of some of their top units eliminated and the adoption of a cryptocurrency financial strategy.

When Perkowski first invested, the Round Rock-based company's future seemed bright. According to [Nasdaq](#), the company's highest stock price peaked in November 2021 at over \$25,000,000 per share. Less than five years later, that investment has depleted to be near non-existent, with the current highest stock price per share at a little over \$6.

Investing in start-ups can be precarious since it can be difficult to tell a company's future based on their first steps. Perkowski found that out the hard way.

“You have to learn from your failures,” Perkowski said. “If I recognized any kind of oddness with the company, I should have just pulled out rather than banking for a home run or a grand slam.”

Perkowski had spent seven-and-a-half years in the pharmaceutical industry, sitting in on quarterly earning calls and monitoring the stock market regularly. He felt well-versed in the operations of companies on the market — he knew what to look for for businesses on the rise, and the telltale signs of those that might be on the downturn.

His employer had a stock purchase program, which employees could participate in through after-tax payroll deductions. When Perkowski left the industry during the COVID-19 pandemic, he had hundreds of thousands of dollars from this program. He invested \$200,000 of that money into Volcon the year it launched.

“I was looking for companies that I thought had a bright future, that were really leading the way, rather it was in tech or more medical,” Perkowski said. “I found Volcon.”

Though Volcon initially [said](#) the Stag would be available a year after his investment, and began accepting non-binding pre-production orders of the unit that year from customers that could be cancelled, complications with the supply chain and manufacturing slowed production of the units.

The company ultimately [rescheduled](#) the release date to October 2023, and [said](#) the cost of goods sold and revenue was expected to increase because of Stag purchases once the unit rolled out. During this time, the company also acquired a partnership with the U.S. Army, which the first units of the Stag would have fulfilled, according to a [2023 memo from the company](#). All production of the units had also been outsourced to third party manufacturers.

Four months later, Volcon [delayed](#) rollout to the beginning of 2024, and [spent](#) \$950,424 on product costs for the Stag that year. The company [began shipping](#) initial units to customers in May 2024. However, Volcon [killed production](#) of the Stag in October 2024, CEO John Kim announced in a media release video that is now private on the company’s YouTube channel.

“Given all the new vehicles that are hitting the market over the course of the next year, we have decided to sunset the Stag so we can bring these new vehicles to market at a price point that is better suited to current market conditions,” Kim said in the video.

Perkowski, who said he had only kept his stock in Volcon because of the promised continued rollouts of the Stag, had lost trust in the company. The company’s history of multiple reverse stock splits, reducing the number of shares of common stock and lowering the overall stock value, along with receiving five warnings in three years about remaining in Nasdaq compliance after falling below the minimum stock price threshold and not maintaining the market value of listed securities, only worsened the issues of transparency and accountability.

When the company announced its switch to a bitcoin financial strategy and renamed itself Empery Digital Inc. less than a year later, investors and customers met it with mixed reviews. Customer Matt Houser [said](#) online that he’s “embarrassed” to have recommended Volcon products. Ryan Blackmun [said](#), “Hi, we are no longer a state of the art EV power sport company.....but we do invest in bitcoin!” While the switch caused the company’s stock to [temporarily rise](#), customers and investors were frustrated with the company.

“Based on the way they pivoted the company, it seems like they're just doing anything they can to keep milking the system,” Perkowski said.

However, while trust in Volcon plays a part in the company's fate, public perception and politics of the electric vehicle industry as a whole also have a role, said Timothy Werner, a professor of business, government and society at the University of Texas. Involvement at the higher level — whether it be by Elon Musk in the federal government or via defunding infrastructure for electric vehicles — can trickle down.

“A lot of the incentives for consumers to purchase them and companies to invest in them have been removed via law for executive actions,” Werner said. “That has had a far more dramatic effect than any one individual.”

Society's perception of Bitcoin operates in a similar way. Cryptocurrency works as a form of digital transaction that has an associated worth and possesses some form of scarcity, said Matt Blaze, a professor of computer science and law at Georgetown University. While perfect for small transactions, he said relying on Bitcoin as a treasury strategy poses concerns about security as all transactions are irreversible and the theft and fraud of cryptocurrency wallets is common.

“Your possession of your Bitcoin amounts to knowledge of a secret, a secret cryptographic key,” Blaze said. “That's not something that you can just memorize. It's something that you have to actually store somewhere.”

Bitcoin has no real value, Blaze said. The moment people believe it's worth less, it can cause a waterfall effect that disrupts a company's or individual's finances. As a result, the worth of cryptocurrency fluctuates unpredictably. When Volcon adopted its bitcoin treasury strategy on July 17, bitcoin cost a little over \$119,000. It has since fallen to roughly \$110,000 as of Nov. 1, according to the [company](#). While the price has fallen slightly over the past almost four months, it's miles above the \$69,500 it was worth at the beginning of November 2024.

“Bitcoin, so far, has proven to be a pretty good investment,” Blaze said. “If you've got assets that are in Bitcoin, those might increase in value and bail out your company, but that's a very risky proposition, because it can go down just as easily as it can go up. There's really not much of holding it up, other than people (that) are on this bandwagon.”

Volcon, despite its change in treasury strategy and in products sold, said in its most recent quarterly report that it expects to sell fewer goods for the rest of the year based on this year's trends. The company was not available for comment, despite multiple requests.

Both consumers and investors like Perkowski, who now owns a construction company and is welcoming his first child in March, have stepped away from the company. Hindsight has shown them that while investing can bring gains, sometimes staying on for the ride isn't worth it, despite a company's promises.

“It’s phases in life that people go through — when you’re younger, you’re always going to be risky and take chances,” Perkowski said.