

Dear ,

Hi there, it's Lajos here, your guide through the AI landscape.

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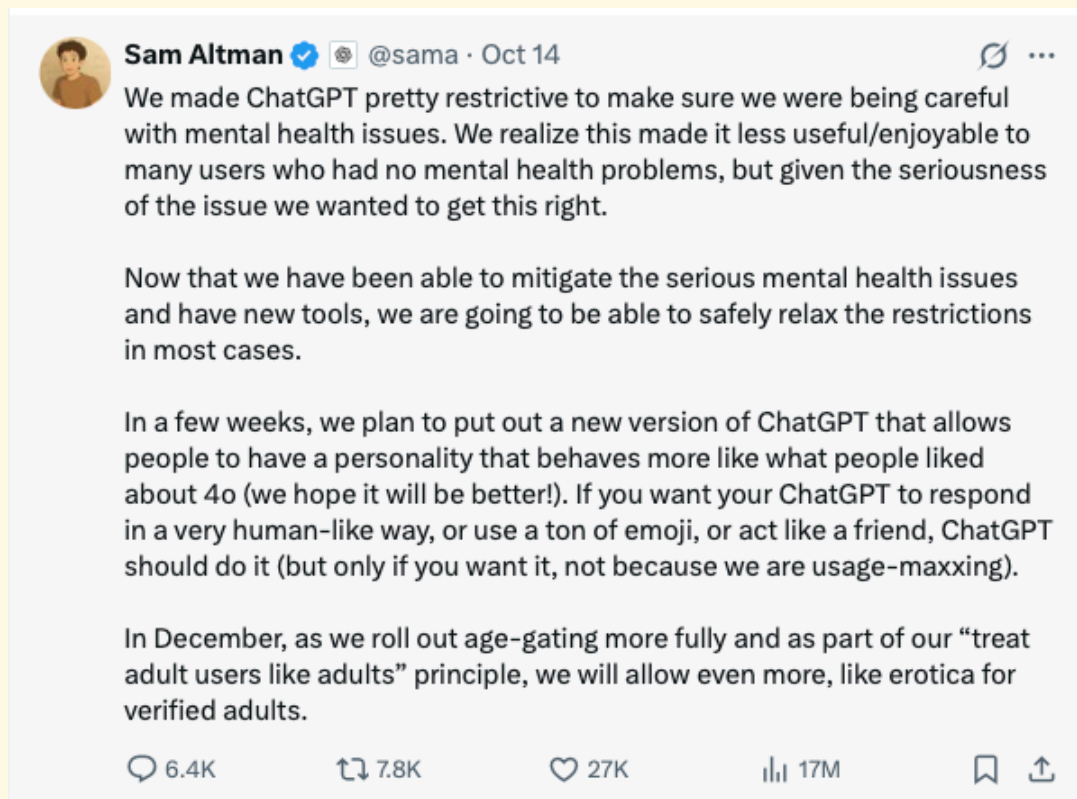
## News Bites

### OpenAI Mocked Competitors' Adult Features, Then Announced Its Own

In August, OpenAI CEO Sam Altman stated on [Cleo Abram's YouTube channel](#) that his company had avoided what he called misaligned features: **"We haven't put a sex bot avatar in ChatGPT yet."** While the

word **“yet”** left room for future changes, the comment was widely interpreted as positioning OpenAI as more responsible than competitors like Elon Musk's Grok AI and its anime bot named “Ani”.

**On October 14**, Altman posted on X that ChatGPT would become less restrictive, allowing more personalized interactions. He specifically mentioned that by December, OpenAI would “allow even more, like erotica for verified adults” as part of their principle to “treat adult users like adults.”



One day later, after receiving significant criticism on social media focused primarily on the adult content announcement, Altman posted a lengthy follow-up. He emphasized that **OpenAI** would **“prioritize safety over privacy and freedom for teenagers”** and that the company would implement **age-gating to restrict minors' access**. He framed the decision as respecting adult autonomy while maintaining protections for vulnerable users.



**Sam Altman** ✓ @sama · Oct 15



Ok this tweet about upcoming changes to ChatGPT blew up on the erotica point much more than I thought it was going to! It was meant to be just one example of us allowing more user freedom for adults. Here is an effort to better communicate it:

As we have said earlier, we are making a decision to prioritize safety over privacy and freedom for teenagers. And we are not loosening any policies related to mental health. This is a new and powerful technology, and we believe minors need significant protection.

We also care very much about the principle of treating adult users like adults. As AI becomes more important in people's lives, allowing a lot of freedom for people to use AI in the ways that they want is an important part of our mission.

It doesn't apply across the board of course: for example, we will still not allow things that cause harm to others, and we will treat users who are having mental health crises very different from users who are not. Without being paternalistic we will attempt to help users achieve their long-term goals.

But we are not the elected moral police of the world. In the same way that society differentiates other appropriate boundaries (R-rated movies, for example) we want to do a similar thing here.

### **Altman wrote that OpenAI would simultaneously:**

- ◆ Roll out age-gating to prevent minors from accessing adult content
- ◆ Detect users experiencing mental health crises and treat them differently from other users

Age verification technologies range from simple self-declaration (checking a box claiming to be 18+) to government ID uploads paired with facial recognition, to experimental blockchain-based systems. Each approach has significant limitations, and raise data security issues.

Altman's promise to treat users in mental health crises differently would require sophisticated crisis detection systems. However, OpenAI has provided no public evidence that such technology exists or functions reliably. This is particularly concerning given the problems researchers have identified with AI mental health interventions:

*"The rapid rise of generative AI systems, particularly conversational chatbots such as ChatGPT and Character.AI, has sparked new concerns regarding their psychological impact on users. While these tools offer unprecedented access to information and companionship, a growing body of evidence suggests they may also induce or exacerbate psychiatric symptoms, particularly in vulnerable individuals."*

[mentalhealthjournal.org](https://mentalhealthjournal.org)

Stanford researchers studying AI mental health tools reached similar conclusions, warning that **AI chatbots** *"may not only lack effectiveness compared to human therapists but could also contribute to harmful stigma and dangerous responses."*

[hai.stanford.edu](https://hai.stanford.edu)



## **Tiny AI, Clever AI - Samsung AI Research**

The general approach in AI industry is the **"bigger is better"**. Companies, like OpenAI, Google, Anthropic have built massive AI models with billions of parameters (the building blocks of AI), assuming that size alone leads to better and smarter performance. However, a new approach from **Samsung AI Research** challenges this idea.

Their **Tiny Recursive Model (TRM)**, with just **7 million parameters** - less than 0.01% the size of today's leading AI models - outperforms many giants in complex reasoning tasks.

### **Why Bigger Isn't Always Better**

Large AI models are impressive at generating human-like text, but they often struggle with **step-by-step reasoning**. A single early mistake can ruin the entire solution, like a wrong turn at the start of a maze. While techniques like **"Chain-of-Thought"** (where the AI "thinks out loud") help, they are **computationally expensive** (requiring more energy, time and resources) and still prone to errors.

Samsung's TRM takes a different approach: it uses a **tiny, single network** that **recursively improves its own reasoning and answers**. Instead of relying on brute force, it refines its solution step by step, goes over the problem again and again, **up to 16 times**, correcting mistakes as it goes.

## Surprising Results: Less Is More

TRM's performance is remarkable, especially on [ARC-AGI-2](#), a **benchmark for fluid intelligence**. Despite being thousands of times smaller, it **outperforms** even **Google's Gemini 2.5 Pro**.

## Why This Matters

Samsung's research shows that **smart design can outperform sheer size**. By creating AI that **iteratively reasons and self-corrects**, we can solve tough problems with far fewer resources. This could lead to **more sustainable, efficient, and accessible AI** in the future.

# How to Do?

Expl-AI-nation

## Save Money on AI Tools with Smarter Usage

This guide is for occasional AI users. If you are a "power user", who use AI daily, a subscription might still be cheaper (*see Example Calculations section*).

AI tools have become part of many people's daily routines, helping with writing, brainstorming, or research. If the users want to use these tools more than the free tiers offer, access these tools through monthly subscriptions, paying a fixed fee for convenience. But there's another option that can be more affordable for many: using AI through API calls.

The API (Application Programming Interface) is like a website address, the API key is the password to enter the website.

Instead of paying a monthly rate, you're charged only for what you actually use. For people who use AI occasionally or for small tasks, this pay-as-you-go model can lead to savings.

For example, if you spend \$20 each month on a subscription but only use AI for a few short tasks, your API costs might total just a few dollars. The quality and capabilities are the same, you're just choosing a more flexible way to access them.

## Example Calculations: API vs. Subscription Costs

For occasional users, API costs are **a fraction of a subscription**. For example, generating **12 full papers (240 pages)** with GPT-5 Pro via API would cost about **\$19.20**, nearly the same as a **single month's subscription**, but you only pay for what you use.

**Note:** Prices are based on OpenAI's 2025 pricing.

## 4 Steps to Get Started

### 1. Create Your API Key

- ◆ Go to the [OpenAI Platform](#) and sign in or create a new account.
- ◆ Open your [Dashboard](#).
- ◆ Under Billing, add your payment details and add funds to your account - start with \$5 / €5 for testing. You can add more later.
- ◆ Go to API Keys and click Create new secret key.

- ◆ Copy and securely store your secret key (you won't see it again later).

**!!Treat this key like your bank account's password. Never share it or upload it to public websites.!!**

If you accidentally exposed your API key, go to your Dashboard / API Keys section, and delete the key. After that, no one (even you) can use it. Generate a new key, and try to keep in secret.

## 2. Get a Chat Interface

- ◆ Visit [AnythingLLM](#).
- ◆ Download the desktop app: [Installation Guide](#).
- ◆ Follow the [setup instructions](#) and paste your API key into the API Key window, and select a gpt model.

(This is one example; other tools may have different setup processes. Check the documentation.)

## 3. Use the AI via API connection

The interface seems very similar to the ChatGPT chat interface: you can ask questions, generate text, brainstorm ideas, or upload documents and using them as knowledge base.

You can read a short summary about it in the [Chat Interface overview](#) section.

## 4. Monitor Your Usage

Check your [usage dashboard](#) after every session to track your spending and remaining credit. If you run out from the initial credit, you'll need to add more funds to continue.

Set a reminder to check your balance weekly until you're comfortable with your usage.

You'll quickly see whether this pay-per-use model fits your habits better than a subscription.

If you use other AI tools such as Claude, Groq, Mistral, or Google Gemini, they all offer similar API access. Search for 'API access' or

'Developer tools' on their website, and follow the instructions to generate an API Key.

Each provider's API works a little differently, some may require extra steps or software.

## Your Turn!

Got questions, feedback, or a topic you'd like us to cover?

[Send a Message](#)

## Weekly Video

Come and see

### AI and Jobs | Garry Tan - Y Combinator



[Watch the video](#)

We've been hearing for years two major narratives about AI:

- ♦ **The Doomers:** AI makes human labor obsolete, and creates a near universal unemployment
- ♦ **The Skeptics:** AI is just an overblown hype that won't fundamentally transform the economy

Perhaps the reality is more subtle. AI is a real revolutionary tool which doesn't destroy the economy, but transforms it.

## The Radiologist Paradox

In 2016, AI pioneer **Geoffrey Hinton** predicted that deep learning would replace radiologists within five years. Nearly a decade later, **the opposite occurred:** demand for radiologists reached all-time highs, despite AI tools that can detect diseases faster and more accurately than humans.

When **AI made imaging scans cheaper and faster**, healthcare providers ordered more scans. **More scans created more demand for radiologists' expertise** in complex diagnosis and treatment planning.

## A Pattern Throughout History

This phenomenon, known as **Jevons paradox**, suggests that making something more efficient often increases rather than decreases demand for it. Historical examples include:

- ♦ **Containerization (1960s):** Making shipping 90% cheaper initially displaced some dock workers, but exploded global trade and created new industries in freight forwarding, logistics, and warehouse distribution.
- ♦ **Cloud computing (2010s):** Making infrastructure 10x cheaper transformed IT roles rather than eliminating them. Server administrators became DevOps engineers managing previously impossible scales of infrastructure.

## Human-in-the-Loop

As AI reduces the cost of tasks like analyzing medical images, drafting legal documents, or writing code, demand for the associated professional services may actually increase. **Jobs will transform rather than simply disappear.** Many roles will shift from direct execution to supervising AI systems, where the human workforce will check AI agents' work and make important decisions to support correct execution.

Early examples show **workers freed from routine tasks** like data entry or customer service moving into higher-value work such as patient care coordination or complex case management.

AI represents a genuine technological shift comparable to the internet itself. While some jobs will change or disappear, history suggests new opportunities emerge when technology makes work more efficient and accessible.

**The future isn't dark, but it definitely brings changes, and the human labor force will need to adapt accordingly.**

## Word of the Week

Do you speak AI?

### MCP (Model Context Protocol)

**Model Context Protocol is an open-source standard for connecting AI applications to external systems.**

[modelcontextprotocol.io](https://modelcontextprotocol.io)

## What is MCP?

MCP is an open-source protocol released by [Anthropic](#). It works like a standardized connector - similar to a USB-C port. Just as USB-C maintains the same dimensions regardless of manufacturer, allowing any USB-C device to connect to your port, MCP provides a standardized way to connect AI chatbots to external tools.

## Why does it matter?

MCP has the "same dimensions" too - not physically, but programmatically. If you're using a chatbot interface like Claude Desktop, MCP enables you to connect it to external databases like Google Drive and other tools (Slack, Google Maps, Calendar, web browsers, etc.). An AI chatbot with access to external tools becomes more capable at solving problems.

And importantly, you no longer need to manually copy and paste data from external sources, the chatbot can access it directly through MCP.

**Enjoyed this newsletter?**

**Forward it to a friend who's AI-curious.  
(Or AI-skeptical, we welcome both!)**



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