

Frank Curzio's FRANKLY SPEAKING



- Announcer:** Wall Street Unplugged looks beyond the regular headlines heard on mainstream financial media to bring you unscripted interviews and breaking commentary direct from Wall Street right to you on Mainstream.
- Frank Curzio:** What's going on today? It's June 15th. I'm Frank Curzio of the Frankly Speaking Podcast. We're going to answer all your questions and [inaudible 00:00:22] sports, and anything else you want to throw at me. I created this podcast. I get some of your questions that you would send me to my Wall Street Unplugged podcast, which I host every Wednesday. Do you want any questions answered, just send me an email at frank@curzioresearch.com. That's frank@curzionresearch.com. Be sure to put Frankly Speaking in the headline. And you never know, your question may be the one I read on this podcast.
- Frank Curzio:** Great questions this week, straight to the point, starting with Joe. Frank, do you really believe AT&T could become the largest company in the world? Are you just talking your book or do you think the stock is not really going to go that much higher? Thanks for all you do.
- Frank Curzio:** Joe, I truly believe they will. With the merger they are going to be one of the biggest companies in the world as it is, close to around a two hundred eighty million dollar market cap. You've got Facebook, which is about six hundred, Apple is nine, or a little over that so, I think it's going to be even a top tier. I can see the stock doubling from here in three to five years. When you look at the details of this, and I know you're looking at the stock and saying, but Frank, the stock is down, what are you talking about? Who cares what happens now? There's a lot of headlines out there about debt and stuff like that, and I covered this in Wall Street Unplugged, but when you look at this deal, \$85 billion takeover, first of all, it's kind of amazing on the political side, right? Because there's no restrictions. The deal got approved with no restrictions. Usually, to put it in perspective, if you're not familiar with these deals, to get them passed, they'll ask a certain company to sell

certain assets. Well, you've got to sell these assets, these assets, this and that and then fine, once you meet those requirements, then we'll do this.

Frank Curzio: It happens a lot, actually. Even, ironically, when GE took over Alstom Power Company, which was the biggest deal in... it almost didn't get approved. The regulators on both sides, they didn't want to approve it and then GE had to shed assets and stuff like that, and sure enough it turned out to be the worst investment in the history of the company. That's really costing GE the power segment.

Frank Curzio: But, no restrictions. Just to show you how political our world has become. And when you look at this deal there's no way, there's absolutely no way, no way that they could have just said, hey, you know, this deal's not going to happen. No matter how you look at it, and what happened after that. Comcast offering for Fox, CBS Viacom, Disney 21st Century. You see all these deals, but if you really stop this merger you wouldn't see any meta mergers anymore, because you're looking at a horizontal platform merger with a vertical one. Meaning what? Meaning you have the largest content provider merging with the largest distributor of content. And both of those companies have plenty of competitors in their industries. When you look at the details of this, and people are worried about a lot of things that it did, and it created... you can cover all them. But if you look at Time Warner, they're one of the biggest and the best. It's important. One of the best content providers.

Frank Curzio: I pride my company because of research. We have really great content here. We have the podcasts, we have great guests come on all the time. Our newsletters are detailed. Yeah we're going to have some wrong, but we're going to be right more times than we're wrong, but you'll never get an issue where you don't think a stock is fully researched. Writing twelve pages for you, thirteen pages sometimes. We've really detailed from all of our analysts. We've all been in this industry for twenty years. We love what we do, and that comes out in everything that we do. That's great content. Other places you subscribe to whatever, not just in our industry, maybe in other industries. And you subscribe to something, and you're like really, I'm getting a one page report and I'm paying \$1,000 a quarter for it? Really?

Frank Curzio: It's all content. When it comes to Time Warner, they have amazing content. The HBOs also and Cinemax, TNT with sports, and basketball, Turner Sports Network along with DirecTV which has the NFL package. Your TBS, 10% ownership in Hulu, CNN. And you're looking at Warner Brothers, entertainment and movie division. Close to twenty years in a row they have generated

more than a billion dollars, that company, in terms of sales. Both domestic and internationally. 8300 movie titles, 5000 television programs. What does this mean? It means that they have an amazing library of content. And now you have a company that's just about the biggest distributor in the world that's going to deliver it to everyone. When you look at a Time Warner and Turner, massive inventory of advertising. 750 billion impressions per year, I mentioned I got some questions on it. You just add that up. You buy some of this is how, you pay for ads, based on impressions. Every thousand impressions cost a certain, a couple bucks, depending on if it's TV, if it's online, streaming, whatever media platform, video. 750 billion and then you look at AT&T with over 200 billion impressions, that's with Direct TV, a company that's going to have one trillion, one trillion, trillion with a T, impressions every year.

Frank Curzio:

That's tens of billions in advertising dollars from these guys that they're going to generate. Think about AT&T, this isn't even their business model, right? It really has nothing to do with advertising. Now, pull it all in, and that's a risk. Now you're a media company, right? You're not a wireless, boring company. Think about the wireless market, guys. It's incredible when you think about it. The wireless market between Verizon, Sprint, T-Mobile and AT&T. Do you know anyone who doesn't have a cell phone? I don't. Or a mobile phone? I don't know anyone who doesn't have one who's over the age of sixteen, maybe even fifteen. Everybody has one. So what does that mean? The market's completely saturated. And you can't really raise prices. There's no pricing power, because everyone's offering different deals. Look at Sprint, Sprint said, we don't care. We have no Spectrum. We don't care if we're going to lose \$50 million a year. But if you come on our plan it's going to be fifty bucks for your family. They don't care. They don't care. That market's so good, they don't care. Now they're in trouble. Trying to merge with T-Mobile. Remember, AT&T trying to buy T-Mobile, and T-Mobile's CEO who is very colorful, back then he said, we're going to fail. We need this to go through or we're dead. We can't survive. They'll say anything when they're in front of the Justice Department. To get deals approved, right? Now they're like, we're better than AT&T. We're the greatest. Look at us. We're the fastest five years. It's kind of funny.

Frank Curzio:

Anyway, there's no room for growth in this sector. And then you have the Crickets and the Straight Paths and they're being bought strictly because why. If somebody shorted Straight Path in single digits and they have taken over at a hundred and something or whatever. I think Verizon finally won that bid over AT&T. You got

Cricket, who's owned by AT&T and all these lower providers, but there's no growth. If you're Verizon, wow, that's kind of scary. Now AT&T, that's why they bought DirecTV. They have leverage to 20, 30 million homes. Look at wireless, what is it, a hundred, four hundred fifty million subscribers? A hundred sixty million, if that's what the number is. Twenty million connected cars on AT&T network. Think about this. Throw in big data analytics. Throw in everything that's going on with Facebook. Everything that Facebook's getting in trouble for, which is surprising, because all of a sudden nobody knew that Facebook was doing all this.

Frank Curzio: There's a reason why you get ads for things that you love to buy, through Facebook, through Google. There's a reason. There's a reason why you look up something and say, wow, honey, I need something and next thing you know there's an ad from Amazon for exactly what you searched on a site that has nothing to do with where you were looking for that product. There's a reason for that. It's actually pretty cool as long as they have their privacy issues, your privacy issues in front and they're not trying to ... what, you don't want this information sold to the wrong people. That's why Facebook is getting in trouble.

Frank Curzio: AT&T is going to have access to everybody. They're going to know everything that they do. You think it's crazy now, wait. Because they're rolling out 5G. What's 5G? 5G's going to increase our speed by 50-100 times. This kind of means nothing to me and you, but think about what that means for the guys who basically front run the market, right? Which is all the algorithms trading. That's what they do, right? It's not about fundamentals. They know how to front run the market. They look at all the massive orders in milliseconds and are able to determine how they're going to generate money, and they don't have losing quarters.

Frank Curzio: Times that by a hundred times. The speed that these computers and AI and all this stuff can work at. AT&T is going to know exactly when you're going to the bathroom. What you're going to eat. They're going to know. Predictive analysis. It's happening now. It was happening seven years ago. This is before Cloud was even this big and we had these fast speeds. Now they're rolling out 5G. They're going to have access to everybody's home. Everyone. It's not going to happen tomorrow. The stock's down and people will say, oh they're dead, they're in big trouble. How are they going to pay their dividend? Guys, their dividend ratio, based on the math that I have, and I've done a lot of research on this. I know this company pretty much better than a lot of other people out there

who are talking about it. Believe me. Believe me on that one. It's a joke what some of the people are saying about it, not whether you like it or not, but just some of the stats that they throw out.

Frank Curzio:

If you look at their dividend, their dividend is going to be 60% dividend payout ratio. You're looking at that dividend, and people worry about it and say, wow, they might not be able to pay the dividend. Look how much the debt is. They're going to have so much trouble. If you look at the dividend payout ratio, they're better than so many other companies. Look at Chevron's dividend payout ratio of 80%. Guys, if you don't know what dividend payout ratio is, if your dividend payout is higher than your earnings generated over the past twelve months, so basically if you're generating a dollar in earnings and you're paying a dollar in dividend, that means you're paying out 100% of your earnings, dividend ratio is 100. You want to be below 80, 70. If you're above 100 you've got to worry. But Caterpillar is well over a hundred. It doesn't mean they're going to suspend the dividend or anything, depends what they're doing for growth. Maybe it's... whatever it is.

Frank Curzio:

If you look at IBM they have a dividend payout ratio of 90%. If you look at McDonald's, they have a dividend payout of over 60%. AT&T is going to have a lower dividend payout once these companies combine. Their earnings are going to exceed their dividend payment, and then you say, well, what about their debt?

Frank Curzio:

Let's talk about their debt for a minute. It's going to be \$175 billion, they have 50 billion in cash on the balance sheet, a lot of that is going to be used for this acquisition. But say they have about 5-10 billion left. They're generating \$20-22 billion in free cash flow every single year.

Frank Curzio:

You know what I would do if I was AT&T? As soon as this deal closed, you know what I would do? I would cancel the dividend. I would say we're no longer paying a dividend. That's what I would say. Because you know what's going to happen? The stock is going to get crushed. And if I was insiders, I'd buy everything. Let that thing go down to twenty-five. Because now you're saving all that money, and you know why that's important? And you know why you're probably saying, are you crazy? The reason why you pay a dividend, like Apple's doing now, like Microsoft is doing now, is because your growth slows. And Microsoft did a great job getting to Cloud. Amazon, no dividend. Facebook, Google no dividend. Why, because every dollar they save, they can make a ton of that return on investment, where they put it within their company.

Frank Curzio: AT&T is going to make a fortune in advertising. They're going to get the right people in the right spots, and people are going to go there. You know why? Because they're going to be able to offer incentive packages. Options, where you don't have to worry about options in buying Amazon at 1700 or whatever. That's why I say, even with JC Penney, it's worth a turnaround CEO to come in at 260, 250 where that stock was trading, now it's closer to 300 in a couple of weeks. Because that turnaround's going to be pretty easy. It's already mostly done. The CEO left because he got the dream job, right? You're host of a show and they're asking you, okay, do you want to host the Today Show? You go. That Lowe's position was perfect for Ellison. He had to go. And if he was like, oh, I couldn't fix JC Penney, his background is Home Depot, in that space, and now he's become the CEO of one of the biggest companies in the world. He had to go.

Frank Curzio: Getting back to AT&T. If they got rid of that dividend, why? You're going to get all this income, everybody's going to sell the stock, it's going to get destroyed. But in the meantime, you are trying to compete with Facebook and Google. You shouldn't be so concerned with the dividend. They're going to be able to pay it. 22 billion free cash, when they have \$70 billion of that debt, of the \$175 billion debt, is due in five years. You generate 20 billion plus free cash flow right now without Time Warner. Think about how much that's going to go up to 25, 27, but they're fine.

Frank Curzio: Debt issues, believe me, and if you want to go back I even cited a great example, if you can go back to last year in June. They needed to raise 15 billion to get this deal done. It was 2017, a year ago, because this deal was actually announced in 2016, before the Justice Department said, oh we're not going to approve it all of a sudden. Which is crazy. They fought through this whole thing. It probably cost them a billion dollars in extra money to fight this for no reason. No restrictions, remember. But they wanted to raise \$15 billion, they've got so much demand. So they said, okay, we'll cut it off at 22 1/2. Demand was for over \$60 billion for this deal. These are people who are dying, investment grade, they're dying to get this paper. It's amazing.

Frank Curzio: You're looking at the debt and you look at the numbers and you see a company doing 20 billion and you look at AT&T as a whole, right? You look at Facebook and you say, wow, they dominate. Where do they make their money from? Advertising. Google, advertising. Internet. Now you go to AT&T and say, where do they make their money? Well, they're going to be on par to have access to nearly 200 million people all over the United States. When I say access, they're

going to have access to their phones, to their TV's to their cars. That's much better than Google or Facebook who just have access on the internet. And you look and say, okay, that's not all that AT&T's doing. Well, they have streaming media. DirecTV. Focus on whatever deals you want. People cutting the cords now. Whatever they want. They have great content. They can sell wherever.

Frank Curzio: And now they roll out internet, they roll out fiber, which is a threat to Comcast and all these other cable companies. That's the reason why you have them. You really don't need them if you have fast internet. These guys are dying for you to get triple plays, anyway. But man, AT&T with all these... and you have wireless, they're generating a fortune off of wireless, which Google and Facebook don't have.

Frank Curzio: It's a media company with so many different areas of revenue. It's perfectly setup. The risk is the execution, it's not the debt. It's not the debt. They're going to generate so much money, even if they mess this up, to pay off the debt. Not going to be a problem. It's the execution. It's getting the right people in the right place at the right time. I think they're going to be able to do that. Because you have the Facebooks and the Googles are hiring the best young talent out there in Silicon Valley. Now AT&T is a Silicon Valley company. Hell, I hope they suspend the dividend. I hope the company goes down. And I'm a big owner of it. Because it will give me a chance to buy it even cheaper. Why pay a four or five percent yield, when your competitors are not. And the reason why your competitors are not is because they're in the growth phase.

Frank Curzio: AT&T hasn't been in a growth phase for fifteen years. It is the first time they have a growth model where they're going to be able to grow like a Facebook. Like a Google. Like Apple three years ago. Apple's growth's going to slow to low single digits going forward. But that's why I like AT&T. Not to mention it's trading at its cheapest valuation in twenty years. But now, they have a growth component. And they're still paying a pretty good dividend. So that's why I like it. Could I be wrong? Absolutely. I don't have a crystal ball. But I did put my money where my mouth is. One of my biggest holdings in my personal portfolio, and I'm probably going to add if it does continue to come down. Which I hope it does. But we'll see. So, that's how I feel about AT&T.

Frank Curzio: Man! That was long drawn out there. Pretty good analysis. It would be a good Frankly Speaking, because it was all about stocks. And markets. And everything.

Frank Curzio: Now we have the next question with Gabe. Does the recent hack of the South Korean stock exchange, not stock exchange, but I think he means the Crypto Exchange, change your opinion on Cryptos? It seems like Bit Coin, Ethereum and other Cryptos are in free fall. Is it a buying opportunity or should I run to the hills? Run to the hills, Gabe. You're done. The data exchange coin route is small change.

Frank Curzio: A week earlier, you had the investigation by US regulators and the price manipulation in the industry. It's the wild, wild, west in this industry right now. And it needs to be regulated. The SEC needs to get off their you know what, and regulate this industry. Because you have a lot of international, there's Switzerland, Asia. You're having other areas that are becoming their own Silicon Valleys within this space and there are so many great ideas. Most of them are horrible. I've seen a lot of these ICO's. They're insane. Spending time in New York this week with a bunch of Crypto guys, and really folks on the set there, institutional investors who want to invest in Cryptos. I'm going to have a lot to talk about in my next podcast on Wednesday's Wall Street Unplugged. Be sure you listen. It will be a meeting that very few people are invited to. I got invited through a friend because I'm an advisor on his board. Really cool, a Crypto and I'm excited for him. They're raising a lot of money and a really good kid, a really good company.

Frank Curzio: This has to get regulated. This has to be regulated, not to the point where people love this initiative because it's not a lot of regulation. You have to be able to buy whatever Crypto currency you want and know once you make money, you're going to get paid once you take it out of an account. It shouldn't be like, online gambling, full tilt poker. It's easy to put money into it but when you want to come out, oh, we've got to do this and that and always ... so the banks have to get involved. The banks will get involved as well. They'll start approving a lot of this stuff and you'll be able to switch money wherever it is as long as it's regulated, as long as these things are deemed a security, which you need. So it's no longer going to be an ICO industry, it's going to go away pretty soon. It's going to be and STO, Security Token Offerings. These things are all going to be securities. You're going to have to register with the SEC.

Frank Curzio: They have accountability with the IRS, with taxes. Pay taxes on your gains. That's what you need. You need this industry to be regulated so stuff like this doesn't happen. So you don't have to worry about taking your Bit Coin offline because somebody's going to hack it and steal it. That's more cybersecurity than anything, and you should do that, but still you have to be able to invest in things that are secure. And if people are lying and cheating, they get thrown in

jail for twenty years. That's the way it has to be. It has to be like this market, where CEO's have to sign off on their financials. If not, they can go to jail. Then you're going to see what's going to happen. Right now, I can start an ICO, create a shell company outside the US, raise \$30 million, for an idea that is not even created yet. It's just basically on a piece of paper, which is called a White Paper, and I'm going to say, look, I'm going to hire this guy. I'm going to do this. I'm going to do this. I'm going to do that. I don't have to do anything, and I can take the \$30 million and disappear. You know who's going to chase me? Nobody. It's pretty scary when you think about it. Other than the people whose money I took.

Frank Curzio:

That's the way this industry is right now. It's dangerous. It's a lot of people, a lot of scam artists that are taking advantage of regular folks out there. It's crazy because you're seeing all this activity. Bit Coins are 19000, now its 6, I know it's down a lot, but it was 1300 in the beginning of 2017, which people won't talk about. A year ago it's up, from a year ago. When you look at this industry, it's all mom and pop investing. This is five hundred dollar offers, a thousand dollar offer, five thousand dollar offers. This isn't institutional money flowing in. Once you have this regulated you're going to see institutional money flow into this. You're seeing venture capitals, big hedge fund money even, coming into this industry. Investing in certain things that make sense. Platforms that make sense. Trillion dollar industries that are going to give access to just regular folks. There's a lot of things that make sense. It's exciting.

Frank Curzio:

But it has to get regulated. We can't have these hacks coming up for other countries. People getting their Bit Coins stolen. There has to be accountability. It's the only way this industry will work. You're talking about security. You're talking about regulation. The SEC is on it. I know that they're on it. They've been vocal about it now, even from the people I've talked to about it in this industry. They're going to the SEC and saying, what do I need to do? I want to make this secure. How am I going to be regulated? When you choose to regulate this, we want to make sure we're in compliance. And the SEC is actually working with these companies. They're not saying, no, you're dead, you've got to [inaudible 00:22:00] life. No, we don't really like what you're doing there so this is what you're going to need to do to improve it. They're trying to help these people out. The people that are going to the SEC, the SEC is working with them to try to get this regulated.

Frank Curzio:

These exchanges are going to be regulated just like TD Ameritrade, just like Etrade and all these other brokerage accounts. Same thing. You put your money in there. You know you can get money

out very easily. You can transfer it to another brokerage firm. That's the way this industry has to be. There can't be like twenty minutes or a half an hour just to set up an account with some of these things, because they have so many tiers. You've got to put your passport in. You don't even know what's going on. But once that happens, and it's going to happen, and I think it's going to happen this year. And when it does, you're going to see a lot of institutional money go into this market and you're going to see a lot of these Cryptos really take off. But it has to get regulated first. So I hope that answers your question, Gabe.

Frank Curzio: Let's take one more. This one's from Brett. Brett says, Frank, I own DXC Technology and I was a little worried since it fell since you recommended it, but it has come back a lot. I also have like eight shares of Prospecta which is the spinoff. Should I sell Prospecta and put that money back into DXC? Thanks for the sweet deal on your new Crypto product. You're welcome. You sold Crypto Intelligence and offered a fantastic deal, so you're welcome. That offer ends Friday and I'll talk a little bit more about that in a minute.

Frank Curzio: Getting back to the DXC Technology question. DXC is a company that we have in our portfolio, so if anyone's from CRN like, Frank, giving away our stock. You're up. You're up 25% in that stock. Give [inaudible 00:23:33] to well above a buy up price. I'm not giving anything away. Relax, relax, relax. Don't send me emails.

Frank Curzio: DXC Technology is a spinoff of HP Enterprises and they hired the greatest turnaround specialist out there, Mike Lawrie. This guy's basically crazy. Just fires all the executives, fires everybody. Everybody hates him. You see people on blogs saying, ah, this guy's great. What this guy does is he goes in and turns around businesses almost immediately. Through cost cutting, and it's not just cost cutting where you're firing people and cutting divisions and shutting down facilities and things like that. But he's able to get his businesses to grow tremendously during the time that they're cutting costs. Which is like a massive adrenaline shot in the arm. It's one thing when you cut costs, right? That goes right to the bottom line. You're saving a lot of money. It's another thing when you're able to turn around your core businesses and they can grow, right? So you have a growth business, now you're cutting costs. That's when you see companies just blow up. Things go through the roof, when both of those things happen. He's great at doing that and his compensation package is tied to this. His compensation is tied to what the stock is going to do.

Frank Curzio: He came [inaudible 00:24:47] recommend this at 78 at the beginning and now our cost basis is lower because they spun out one of their divisions. I'll get to that in a second. But DXC, what do they do? They provide all the services that partnered with every major technology company you can think of, Cloud services, IT services, everything a Fortune 500 company needs on the IT end. Everything. CRM services, everything that they possibly need, this company provides for them. And it's important because, from my business, which I know, we're tracking data. We want to know what headlines are, what people want. What are they opening, what are they getting excited about, what sells the best, to determine ROI and stuff like that. There's like a hundred programs out there. We maybe have six that work together. We'll switch one in and one out so, what I'm trying to say is, not all programs work for, it's not just, okay, let's use Azure, which is Microsoft's Cloud platform and I'll merge it with IBM's Blockchain. Sometimes they're not compatible. Using AI technology from somebody else, maybe Amazon and throw it together with Adobe and boom, here's my ... and you've got everything. No, it doesn't really work like that.

Frank Curzio: There's different services that work for different businesses. You mix and match them. So they're partners with all these companies and they have specialists that help Fortune 500 companies get up to date with all the CRM and IT and all this technology. It allows them social media presence, everything from end to end. That's what this company does.

Frank Curzio: Since they spun off this company last year, earnings have gone through the roof, they've cut costs tremendously, and the stock has done great. Now, they announce a spinoff of, basically their government business. All the government IT stuff. This is kind of a slower grow, it's not really a slower grow, but they basically merged that with two other companies and it's called Prospecta. It just started trading. DXC fell a lot and people like well, why is it falling so much? It is because you are getting shares in Prospecta. There's about 20% difference. The math was basically if you own a hundred shares of DXC you own fifty shares of Prospecta. When you're looking at Prospecta and it came out, now you own both of these companies so obviously, DXC is going to come down a little bit.

Frank Curzio: DXC before Prospecta was projected to generate about \$8.75 to \$9.00 in earnings. They spun that out. Remarkable enough, [inaudible 00:27:29] can you take a piece of your business that's no longer a part of it and you're selling it off, right? It's like you're closing stores. If you're closing stores, Sears closes stores, their revenue is going to go a lot lower. Forget about that profit, they're closing it because maybe those companies don't make a lot of

money. Your revenue is going to go a lot lower. These companies project that when it comes to their earnings, they're still maintaining their earnings at \$8.75 to \$9.00 despite that fact they just spun off a pretty big component of their business to another company. Mike Lawrie, by the way, is chairman of that company while he's still CEO of DXC. You still have that great person involved in Prospecta.

Frank Curzio: DXC, if you take the numbers, they're trading like under ten times earnings and growing crazy. They're involved in a secular trend which every Fortune 500 company has to spend tons of money. They even offer cyber security platforms. Everything, all combined. You look at DXC, fantastic company, tremendous growth, I think it's an absolute steal here.

Frank Curzio: Getting to Prospecta, now. I think that Prospecta is, I wouldn't say it's a better buy, but it's a strong buy. This company just focuses on providing big data analytics, mobile applications, their cyber security, I say theirs because the government needs... but it's all these services to the US Government. Their list of clients includes like every possible, you're talking about US Cyber Com, the defense industry, the post office, treasury, NASA, department of the feds, FBI, Housing and Urban Development, keep going, Air Force and Department of Justice. Almost every branch everything within the government is one of their clients right now.

Frank Curzio: When they spin off this business people are like, why do they spin off? Well when we have spinoffs, a lot of companies want to spin off maybe their slower grower and say, okay we're going to spin off. HP Enterprises spun off DXC and look where DXC. It spun off at 60, went up to 100, now it's down a little bit because of the spin off. So that's fantastic. When you spin off a company it becomes a pure play. Now you can focus. Because you look at DXC, they're not really focused on their government contracts. Yes, it's a good business, but man, I'd rather be selling to everyone else, the Fortune 500 companies which these guys are, last I looked, generating a lot of money. Especially with attachment forms. They've got a lot of money to spend compared to the government.

Frank Curzio: Now the government, this is a necessity. The government is so far behind when it comes to IT, it's insane. So now when you focus and you've got people who just focus on one part of the business, spin offs, especially when they say, well we are a spin off a slower growth, those businesses, based on statistics usually

outperform the actual underlying company they just spun off from. It's consolidated, we're focused, it's one industry. Instead of DXC really focusing more on their Fortune 500 clients and maybe not so much on this division, now they just focus on, almost as if I separated the podcast from the newsletter business. Imagine just having a podcast business where we have a massive studio. We have commercials, and we make it like ESPN podcasts. You see those guys, they have soundboards everywhere and four or five guys and advertisers and stuff like that. It would be such a big focus if we spun that off, yet the newsletter business would just focus on getting great analysts. If you really separate those businesses, compared to everything combined, because you're focusing on certain things at certain times. That makes sense. Hopefully, that was a decent analogy.

Frank Curzio: You're looking at this company and the growth, it's the only pure play that provides these massive IT services just for the government. And again, you have Mike Lawrie on there, who's a guy that just takes every business, and if you're a shareholder you love him and if you're an employee you hate him. Where you shareholders, which, I'm talking to you guys right now, forgetting those employed by these guys, you're going to be happy owning these stocks. And you've been happy owning DXC since I told you to buy it.

Frank Curzio: Prospecta is very interesting and the company, I don't think I've really seen this happen - I'm sure I have a few times, but when a company gets spun off or even if an IPO comes out, whatever, they're raising money. Here's a company that just got spun off just started trading and they announce a five cent quarterly cash dividend and the board of directors approved a \$400 million stock buyback. To put that in perspective, that's about 10% of the entire market capital of the company already providing a floor underneath it.

Frank Curzio: More important with Prospecta, guys, and I'm going to tell you something which is very interesting. When you look at Prospecta, and I'm going to try and bring something in, because I've been doing a little research on it, let's see if I still have it open. If I don't it's fine. If I do you guys might get lucky.

Frank Curzio: I was looking at a lot of the underwriters that got this deal done, because you have to provide different services, not necessarily to raise money, but you have a lot of guys behind the scenes doing a lot of... it's like investment bankers. So you have investment

bankers going in there, I'm pretty sure you had Goldman, [inaudible 00:32:44] you had three or four of them that are well known. I think those three or four were providing research on DXC Technology.

Frank Curzio: When an IPO comes out, there's something called the quiet period. It used to be ten days where companies can't say investment banks can't talk about that company for ten days. Now they've changed it to twenty five but most investment firms wait the twenty five days later before they start talking about this company. Or provide research. When they provide research because they've got the investment banking business, what do they usually do? Well, common sense, they come out and say, here's the buy rating on the stock. We love this stock. That's why a lot of times you'll see seven buy ratings come out on the stock at the same time. It's because the quiet period is over and they can all provide the research. They all come out and that actually drives the stock higher. Nobody knows Prospecta even exists. Very few people. People don't even know what DXC Technology is. It's a relatively new company. It's a spinoff of a spin off that nobody knows about and because the investment bankers are on that deal, we're about fifteen days in, so you have another ten days.

Frank Curzio: In about ten days you're going to see three four five companies come out. And I would say probably four to five are going to have buy ratings on them, there's going to be no sell ratings on it, but you'll probably all get buy ratings and then that's going to be all over the news. They're going to mention it on CNBC. Wow, Prospecta has a buy rating, their target's so much higher now. All this stuff because they got the investment banking fees. That's how Wall Street works. As a shareholder, you can buy the stock today and it's probably a pretty good trade over the next ten to fifteen days, barring we don't see the market come down five hundred points. Everything's going to hurt.

Frank Curzio: That's a pretty good trade because it's almost all but certain, again, from someone who's been in this industry a long time, you're going to see a lot of buy ratings on this stock and a lot of coverage on this stock within ten days from now. A lot of it is going to be buy ratings, you're going to see a lot of publicity on it, and it's probably going to push the stock up maybe five or seven percent.

Frank Curzio: I like Prospecta as a long-term play. I'm just saying to you traders out there, algorithms and hedge fund guys, and I know you listen to this sometimes, believe it or not, and you email me, whatever, it's a good trade. Probably pretty good to jump on board now, because there's going to be a lot of institutional analysts covering this stock in the future. I like Prospecta. I like DXC.

Frank Curzio: Again, guys, because of the research advisory holders, this is what you get access to when you buy my newsletter. You get this stuff before I'm mentioning it. Before DXC we bought a while ago, seeing this spin off was going to take place, tell them exactly how to play it, don't sell anything, roll it into, keep your shares in Prospecta. These are the ideas we're coming up with before a lot of the people, or a lot of the media and everybody else knows about them. That's why it's good when you have this free platform, which is cool, but when you are a subscriber to my newsletter at least you're knowing this stuff well before anybody else. At least that's what we try to do.

Frank Curzio: Okay guys, pretty cool podcast. All about stocks. No sports, which is good, since I picked Boston to win. And Vegas had Boston Celtics to win the NBA final. And I picked Vegas to win the Stanley Cup. So much for that. Maybe you should not listen to me with those sports, but really cool in detail podcasts that I hope you guys like it. Again, in New York City right now, I'm going to come up with a great podcast. I'm going to give you inside scoop you want to hear from institutions and also from top Crypto Currency companies, so it's going to be a lot of fun and definitely tune in to Wednesday's Wall Street Unplugged podcast.

Frank Curzio: Okay guys, thanks so much again, for all your support, for your intelligence, fantastic launch. Today's the last day to get 80% off the newsletter and a free treasure, which is a cold storage wallet. If you put that deal in perspective, the entire discount on the newsletter is going to be gone and no longer to get a free treasure cold storage wallet.

Frank Curzio: I'm going to be offering this product to everyone else, which is really cool, so I wanted to provide you guys with the best deal. Hopefully you'll like it. We got some really good feedback early on. Yes, we're seeing big quiet comedowns that present great opportunities to be getting in at the perfect time.

Frank Curzio: We're going to have lots of great recommendations from Barry. Barry just did a really cool conference. I know a lot of you guys... he spoke at a summit with a lot of his competitors were there and he's getting fantastic feedback because people now know how smart this guy is. He's a twenty five year veteran. He built models. In the banking sector, in all kinds of sectors, worked for some of the biggest hedge funds in the world for twenty five years, and now he's building models for Crypto Currency, so you're getting a real analyst behind this product and I know you guys are going to be happy over the next few years. If you didn't subscribe yet, you only have until midnight tonight. We're not extending it any longer.

Since this podcast is going to publish probably about 7:00 PM today. That's only a few hours from now but after that the deal's going to go up and the newsletter's going to go up and we're going to be marketing to a lot of other people.

Frank Curzio: I just want to say thank you so much for all your support. I love you guys. Thanks for all the trust. It really means a lot to me.

Frank Curzio: Last thing here, and it's the most important, for all the dads out there, Happy Father's Day. Including one of my closest friends who works with me, Greg, who's had twins a few days ago. Now he's got three kids under two, I think. Insane. I feel so bad for the guy. Anyway, Happy Father's Day. I am really happy for him. It's just awesome, really great stuff. And to all the fathers out there, guys, seriously, Happy Father's Day. Go golfing, watch the Masters, do what you gotta do. To all the wives out there, no nagging. Don't tell him to pick up his socks off the floor. He doesn't have to walk the dog that day. No chores. I know that changes the other 364 days of the year but tomorrow, let him have his day. Just let him have his day. That's what my wife does for me, which is so cool and she always lets me have a lot of days, actually. She's really cool and nice. Anyway, seriously, Happy Father's Day. Have a great time. Enjoy the weekend.

Frank Curzio: And that's it for me. You know what? See you guys in seven days. Take care.

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