Frank Curzio's WALL STREET UNPLUGGED

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 Main Street.

Frank Curzio: How's it going out there? It's August 8th and I'm Frank Curzio, host of the Wall Street Unplugged podcast, right, break down the headlines and … tell you what's really moving these markets. We just came back from New York. Had some business to attend to. I also took my family with me, had a Griswold road trip. Yes, I actually drove to New York from Florida. 14 hours with my family, that's pretty good time by the way. And yes, it was a little crazy. Driving through Georgia and South Carolina, then North Carolina, Washington DC, Maryland, Delaware, New Jersey, and then finally getting into New York. We got to Long Island, saw my wife's family, had some fun.

It's kinda funny what you see when you drive through these states. I'm sure none of you are as crazy as I am to actually make that drive, but just in case if you do. It's kinda funny. We're going through Georgia. Really religious. You have billboards, dozens of "Jesus saves you" signs everywhere, lots of churches. We get through South Carolina, kinda the same thing, but not as many. We probably saw about a dozen going through Georgia, probably 100, 115 mile trip going through Georgia. South Carolina, North Carolina much bigger states, long time to get through those, but South Carolina probably had about a half dozen of those religious type signs.

Then when you get to North Carolina, things start really getting interesting. Because then you see the divide taking place, where it's not so religious, but it is, but it's not. There's one stretch of I-95 where you see all these billboards and one of them says "Jesus forgives you and repent", right? Repent, like in big red letters. Bold, right, you can see it. Then about 500 feet down there's a sign that

says, "Adult porn store, spice up your life". And then another 500 feet, I'm not kidding her it's like back to back to back to back billboards, you have another sign religious, right? It says, "Jesus is our savior". Even bigger bolder letters. Another 500 feet away it says, "Adult shop, turn right here for exotic toys". And then when you get passed North Carolina, no more religious signs, no more "Jesus saves" signs, none of that.

Maryland, Washington, just adult stores and you'll see more strip bars on these billboards and everything, but it's kind of funny to see the religious divide where as you go south. Most people, I think, know that, I didn't know how over the top it is. I'm not picking on anybody or saying anything bad here but I mean when I bought my first house in Long Island, which we sold, a long, long time ago, you know, people came over and introduced themselves, the neighbor's like, "Hey, how you doing?" And when, you know, just cookies and give me little flowers and stuff like that, and it's nice, you know? It's what neighbors do.

And in Florida they kinda do the same thing, couple of neighbors, all our neighbors don't like me anymore, I don't know why. I wave to them, they look at me, they don't really wave back, I don't know. I don't know why they like me. I thought a lot of people liked me. Anyway, we'll get to that. That's another rant for a different day. But when they did like me, they would give me cookies, cake, and they'd give me their religious card, like just their church card, "You gotta go to my church." Which is kind of a surprise.

And again, I'm not, like, you know, picking on anything, or whatever because the south, I mean where I am in Florida it's not as bad but man, Georgia, South Carolina, it's hardcore. I mean there's these like cults and things, it gets really, really hardcore. It's just interesting to see a divide as you're driving. Again, hopefully none of you

make that drive, which is about 900 and something miles. A bit crazy.

Then you're driving in, you get a stop to eat, you have the kids in the car, you're on the road so it's difficult to eat healthy. But on the way back it was pretty cool because North Carolina, I told my wife, had the perfect place for breakfast. It's awesome, it's great. And it's Waffle House. I'm not sure if you ever been to a Waffle House. When you walk into one of these places, they treat you like you're Bon Jovi. It's like you're a superstar, a celebrity. "Hello, sir, welcome, thanks so much for coming to the Waffle House, go grab a seat, we're gonna help you" and I've never seen a place like this in my life because there's like 15 people working and you have to realize, those Waffle House things that you see in the side, they're like these little boxes, there's 15 people working in them.

I mean I took my kids to Cold Stone in Times Square and there was about 50 people on line, three people were working. The Waffle House is this little box, 15 people working and there's like six, seven people in the place. And they're like, "How's it going?" They're having conversations with you. It's like you're a superstar. They treat your family like you're royalty, it's great.

And look, you know, the ceiling may be leaking, there's gonna be dirt on the floors but the food is amazing. They cook it right in front of you, it's dirt cheap, it's definitely not healthy but it's great. And real people who eat food are gonna tell you, you don't see, "Oh, it's a great salad, it's awesome." No, no, it's a great burger, you know, things that are fat and taste great, we know that.

I tell my wife, "We gotta go to Waffle House" and she's like, "I don't know about this place, let's go someplace else." And not that she had issues, she had a bad experience at a Waffle House that used to be open by my neighborhood and it was a bad one. I'm sure there's a

couple of bad ones out there, it's like every restaurant, Chipotles or whatever, McDonald's. She was like, "I don't know, I don't know, I don't know."

And afterwards she looked over and apologized and says, "Man, I was wrong, this is amazing, this is a great breakfast." Let me tell you something. My wife apologizing? That happens like once every three years, and that came at the Waffle House, just think about that. Pretty crazy when you think about it, right?

Anyway, I made the crazy drive to New York city because I wanted to take my kids to where we grew up in Queens, New York. Yeah, I could've went there, rented a car, even JFK, I don't know if you flew into JFK before, probably some of you, and I don't know if you tried to rent a car at JFK or LaGuardia. I mean LaGuardia you have to take two shuttles, it takes you an hour to get to the rent-a-car, JFK, it's literally more than a mile, a mile and a half walk. It's more of a pain and now you think, so I said, "You know what? Let's just take a drive down there." Spend some time with my family, get a little crazy.

But we did go to the place where we grew up, several houses in Queens, New York. Not just mine, my wife lived not too far away from me. My house was on 6 8th Avenue, Ridgewood, Queens. Sure not gonna get too many emails saying, "Oh, Frank, Ridgewood, go." No. It's not gonna work. But I showed my oldest daughter where she was born, where we took care of her. You know, it was really cool, just taking pictures of places, the park that she ran up and down and she's 10 now, when she was one, two years old running up and down the hills and stuff like that. She was actually running up and down the big hills and we had a picture that I took of her that I'm holding her and then I grabbed her and held her by the same tree and stuff, it was just really cool because you forget about a lot of that stuff, right?

That's the good stuff, that's really cool. We all invest, we're an investor podcast but why do we do this for? Why do we wanna learn? To better our lives, make sure our kids have better lives than we do, right? That's why we do this.

We went to another house, where she was conceived, of course she doesn't know what that word is yet but it was just a really fun trip. We actually went to New York city, because we went to Long Island first, see my wife's family, then I went to New York city, and actually parked the car in the city, again, 55, 60 bucks to park in the city for a few hours, which is fine, which I know, the prices and everything, but we actually took a tour bus, like the ones where you sit up top to see everything. I was like, "Why don't we do that? Probably be really cool." Since, you know, it's crowded. Never in a million years did I picture myself on one of those buses. I've seen hundreds, if not thousands of them, lived in New York, worked in the city. I remember making fun of the people on those buses because they're all tourists, right? They're seeing New York for the first time, so your job as teenager is to like, "Hey, guys, you want drugs? You want this? Huh? Be careful, don't get off the bus." You know, that's your job, to be really stupid and when you're a teenager that you can laugh about now, but I never thought I'd be on that bus.

But it was actually really cool, see all the sites. Empire State Building, Freedom Tower, Grand Central Station. Had a chance to see a lot of the street shows in Times Square. Remember, my kids are in Florida, they're not familiar with this, and to see that many people, they were just looking at buildings, they were just blown away. Made them take that first subway. The only thing I feel bad about is, man, people complain about the heat in Florida, holy, it was like 100 degrees, humidity was insane. And note to any father has daughters, heat and young daughters, like oil and water. Holy cow. "I'm hot, daddy", oh, and the whine. It was hot. It was really. It

just happened to be one of the hottest days in New York when we went. And boys they don't care, they run around, they're sweaty, "Daddy, let's do this, let's do that." Girls, "My hair." Ugh. Anyway. There's gonna be drawback.

My kids did love it, my wife loved it. And now great news, my kids are going back to school on Friday. I would say that anyone who doesn't have kids is like, "Frank, you're so mean, that's so terrible", anyone who does have kids knows exactly what I'm talking about. And we all love our kids but you know, according to our kids, and even you when you were a kid your parents are put on this Earth, at least they think, to entertain you 24/7, and if you don't, they kind of get pissed off at you. No matter how much you entertain them, the whole entire day, if they ask for one thing at the end of the day and you say no, they get mad at you, that's their job. That's what we did, we did the same thing. You know what? They're gonna make your life hell. I can't believe it, you drove me all the way here and you're not gonna play with me. Well, we just went to Dave and Buster's, we just went to the city, we did this, this, this, got you ice cream. Yeah, but I thought you were gonna play with me. And then they fall asleep like five minutes later.

Those parents, my wife and I, we're very hands-on. Spend a lot of time with them, wrestle with them, go in a pool, take them to Dave and Buster's, water parks, jump houses, which are huge now, the ones with the big trampolines everywhere. We spend a lot of time with them so it's nice, especially my wife, who will never use a nanny, cleans her own house, does everything herself. Nice to get a break and relax a little.

Our kids going to school, going back to school, summer's kind of winding down. Or actually is it winding down? Kind of Florida, right? Just kids go back to school, think about it, right? You guys are like, "Kids are going back to school? They're going back to school this week?" Early

August. It's the weirdest thing ever. There's zero reason for this, right? I mean compared to New York and I think most of the East Coast when kids go back to school in early September? Around Labor Day?

But it is Florida. I guess the people who are on the Board of Education maybe got drunk like 20, 30 years ago and forgot what month it was and just told all the kids, "Hey, just go back to school now" and it stuck. I mean there's really no reason for the kids to go back to school now but they do. They go back very, very early here, which is fine. So hopefully you guys had a great summer as well, spent time with the family and are recharged. I know I am.

Because I have an awesome interview coming up for you with a first time guest. And his name is Daniel Creech, one of the best economists in the world, who went to MIT and Oxford, who now runs NYU's economic department, reports directly to the President of the United States. I'm just kidding.

One year ago I went on a search to find an analyst that I would train and then work side by side with me. And I mentioned that position on this podcast and in a little over a week I got 50 applicants, just humbled by great people. I narrowed that down to four, where I personally interviewed all four of them. And even at 50 altogether, I mean amazing people, unbelievable.

But Daniel Creech was the one that stood out. I saw his passion, he had some experience researching stocks, going to move down here, Florida, not easy to do. Right? You're young, you're under 35, it's not that easy. Especially where I am, small town, it's not so much of a party area. I decided to hire him, it's been one of the best decisions I made since starting career research.

So now I'm having him on, interviewing because I'll be hiring more analysts soon, at least two. And don't send

me any applications, any emails, not yet. Not gonna happen for a few months. If you're interested in becoming a research analyst, working side by side with me, long hours, crazy stuff but you're gonna learn more than you will learn anyplace else in this industry, I promise you. If you're one of those people, this is a must listen to interview.

If you're just the average person that says, "Hey, Frank, I like listening to your podcast" or you're a subscriber, you'll love this interview even more. You're gonna see the amount of work and dedication it takes to become a great stock analyst. And not only that, you're gonna see the amount of work that goes behind the scenes for each pick, each newsletter we write, how we analyze sectors, industries, management team, how we travel, what research engines we use, how many types of strategies we use, I mean it's not just value, it's not just growth. Bottom-up, top-down, technicals, modeling, screens, discount cash flow.

A lot of stuff goes into this. There's not one formula that works. I wish I had a formula with a three-step system that I give it to you, we all get rich. If there's one system that worked, the whole world would use it. Different systems, different strategies are required for industry, stocks, whatever. Gonna cover a lot of this stuff, so really, really cool interview coming up, don't wanna miss.

Then on my educational segment, rain season, I gotta tell you, it's coming to a close. That's for S&P 500 companies, but it's prime time for small caps. And here's one thing you should be doing right now, it's gonna help you generate massive profits in the months ahead, the simple strategy that 99% of investors have access to but they never use it, so I'm gonna remind you why you should use this because it's gonna lead to you finding more and more ideas. And Daniel Creech definitely knows his strategy. You know what? Let's get to that interview right now.

Daniel Creech, thanks so much for coming on the podcast.

Daniel Creech: Hey, Frank, thank you. Excited to be here.

Frank Curzio: Well, listen, bud, it's been close to a year when I hired you to become a research analyst at Curzio Research and what I wanted to do here is I wanted you to go over the process because we're planning on bringing on more junior analysts in the future, maybe a couple of months, and just guys who are out there who are interested, I just wanna let you know, we only hire analysts and I only hire analysts that I believe will eventually become newsletter writers. I'm not looking for helpers that wanna settle that are just gonna do everything I say.

It's really an amazing opportunity that has unlimited upside potential. Okay, that's what I want from every employee, I want it to be well, you're not just doing some things that you don't like to do. That's how I try to hire people, make sure that they love what they do. Now, based on your experience, Daniel, and how hard you're working and things like that, I wanna start off with an easy question, how has your experience been thus far since we're coming close to a year since I hired you?

Daniel Creech: Yeah, it's been fantastic so far. I can't believe how fast time goes. It'll be a year come this October and it's been fantastic. I've had the opportunity to study all the different kinds of stocks in different markets. It's a lot like drinking out of a fire hose. Don't feel sorry for me, sometimes it can feel a little overwhelming and you kind of feel behind but it's been amazing to be this close to something that I love and researching stocks and different ideas.

Frank Curzio: Now, in terms of your expectations, I know you figure you're coming in, okay, now I work hard and things like that, is it more difficult or is it just like, you know, is it more of a learning curve, because you're coming in from scratch, it is a newsletter industry, it's more

than just research and stocks, there's a lot that goes behind it, writing and different things. Did it exceed your expectations, did it not or is it like, "Wow, I didn't know it was gonna be this busy"? Talk a little bit about that in terms of your experience, what it came to, your action researching the stocks, actually getting this done and saying, "Wow, holy cow, I didn't know it was gonna be this crazy" or is it kind of like you have things under control?

Daniel Creech: Yeah, it's crazy, but it's crazy in a good way. It's kind of like controlled chaos, to kind of have that fun. I knew there were gonna be a lot of times and efforts putting into the research part because I've been reading newsletters for several years now, that's how I came across your work, so I knew that hey, you gotta put in a lot of time, you gotta sift through all this information and one of the hardest parts is to really gain confidence and help sifts through the noise.

So you see all this headline risk in today's world, everything moves so fast, we have 24-hour news cycles, so you're constantly bombarded with headlines that either scare the crap out of you or tell you everything is just a Goldilocks and buyer is the easiest thing you've ever done.

The background has been a lot more intense. I would've never guessed to write an update on a certain stocks and to get that from your Microsoft Word out to subscribers, I would've never guessed the gauntlet trail that that has to go through to make it available for everybody.

The back end, being behind the scenes, that's been really the biggest learning curve but studying the stocks, it was a lot what I thought it would be. I've learned an absolute ton, I learn so much every day but I knew that that was gonna take a lot of hard work and grit but the beautiful thing about that is that the information is there. We use a lot of great tools to help us get information but because of

the Internet, because of access we don't have to go, I don't have to go to a library and research things.

I'm traveling right now, I have a laptop that I can log onto and read all these company conference calls so I can really stay up with everything and it's a fantastic view.

Frank Curzio: Now, let's get to the specifics, take us through the newsletter process, right? Because when we say Curzio Research Advisory subscribers out there and say if I come up with a stock and say, hey, Daniel, you know what? Here's a stock pick, let's say we talked about cloud computing in I believe it might've been October, November, you probably know better than me because you manage all the portfolios and the positions and stuff like that, right? And let me know what's going on every day, as soon as I walk in, you're like, "Okay, this is what's up, this is what's down, here's what we need to get update", so you're looking at the portfolio positions, looking at the news every day but when I decided to say, "Hey, you know what? Let's go with this stock" and we talked about cloud and we wrote about Amazon, and, again, I think it was November or so, and another company called [Mindbody 00:19:58], giving those away because we're up a lot on those guys.

Take us through the process. I'm like here's the two stocks and then the writing process and everything like that, it probably takes about three to four days until the whole entire thing from the time we decide what stock we're gonna go to we're actually getting everything out to you in a full version, take us behind that scenes and I'm like, "Hey, Daniel, let's go with cloud computing and let's go with Amazon and Mindbody."

Daniel Creech: Yeah, absolutely. It's a lot of fun because you know your schedule ahead of time, so we know our deadlines, we know when our issues are due and obviously that's pretty plain and simple but that's very helpful so every other

weekend you and I just kind of plan on hey, you know, I'll see you at some point on Saturday, I'll be here at some point on Sunday. Sometimes we bump into each other, sometimes we're missing each other, but yeah, the process is amazing because what I do is when you give me the companies, where we go back and forth, I start going through at least the last several quarters of conference calls transcripts.

I'll start reading through all the conference call transcripts, we even go to their websites and look at all their latest presentations and anytime the CEOs or CFOs do speeches at different conferences or they get interviewed by any financial outlet, you know, Bloomberg, Yahoo News, anybody, it's amazing because you could just sift through all that research and everybody can find the big highlights but we wanna dive in to see hey, what's the big catalyst that's gonna move here, you give me a lot of the heads up on why you're excited about this and then I just get to go and deep dive into all that.

By far the hardest part is to take a concept like the cloud or anything and break that down and to write it in such a way that is very understandable to anybody and everybody because the average person out there has a full time job, a life, a family, your everyday stresses and stuff, so we have to take all this information, pages and pages and pages and break it down into basically eight-page, 16-page report but the effort that goes into it, the research is just, it's a great experience and yeah, it's a several day process, there's a lot of back and forth and sometimes it's pretty aggravating when you're working on something all day on a Saturday and I'm going on in a different direction and I have to redo it. That's life.

Frank Curzio: Yeah, and it is tough too because that's part of the learning process, and even when you redo things or we have to do things over, it's never that everything you wrote about a research is lost. It's just about okay, maybe

we're gonna go a different direction in terms of, we wanna make it entertaining, we have a nice lead view and not just saying, "Hey, buy Microsoft, they got a new CFO and no one's really talking about it, it's good." Because anyone can give you that but really our job is, like you said, is not only to, we wanna find the story that nobody's talking about, or we wanted to report the news to you that is not being reported because everybody's talking about Tesla, everybody's talking about different things right now. We wanna tell you the story that's different, because I think I went on Andrew Horowitz' podcast, he's like, "You wanna talk about Tesla?" I said no because I'm not gonna...

Frank Curzio: I'm not going to say anything that everyone in the world isn't saying already." That they may need to raise money and stuff like that. We know they had a good quarter and the stock went up. But everyone's basically covering that one to death, and there's nothing I could probably add to that other than I thought before the last quarter was a great buying opportunity because the shorts were just pounding the crap out of it, and every risk was on the table already. And I just knew Musk is going to get on the call and say everything you wanted to address those risks. So chances are with all those expectations and all the shorts there, you're telling the six things that you fear and Elon Musk knows that going in. I know he's a guy that's going to say whatever, whether it's true or not on the call, and that would lead to the stock going higher.

Overall, our job is to tell you what you're not seeing, and also, more important thing, which I'm glad you highlighted is, in a newsletter industry, it's very difficult to get people from the outside world that have been doing this for a long time or hedge fund managers and stuff like that to become newsletter writers, because they're used to talking to a different crowd. They're used to talking on an institutional level, where here I think the understanding, right Daniel, is, we're communicators. We're taking something that's difficult, that's sophisticated, rewriting

it to a point where using analogies where the average investor can understand why cloud computing is so important, why smart homes is so important, why big data is so important, what these trends are, and then letting you know, here's the stock recommendations, here's the best plays.

Talk a little bit about the writing part because that's the biggest learning curve I would think, right? We've talked about this in the past, but how difficult is that because it's always a learning process. Even for me, when I first came to this industry, it was the most difficult thing to do. I got stuff thrown right back at me and said, "Nope, this has to be … readability statistics, they have to be better. It has to be on a seventh or eighth grade level where people understand this stuff." What about that process, and talk about the writing and the communication part.

Daniel Creech: Yeah, absolutely. That is, hands down, the biggest shock and the hardest part that I've had to adjust to. It's very humbling. Now, we joke about this. The stock market's just a lot like golf. They're the most humbling things in the world. About the time you think you're on the right track, you just get whacked. And also, I think it either kind of plays another … kind of piles up on because when you're so passionate about something, or you're so interested. A lot of these times, when you give me stocks about or research, there are several times where I've never heard of them, or if I've heard of them I really don't know much about them.

I'm doing a full deep dive for two, three, four days, going over as much information as I can. Then you get involved in that, and you get a couple layers deep and you feel like you understand it. When you feel like you have a pulse for something and then you sit down and try to write it in a plain and simple way, it can be very frustrating at times because you can't believe it's that hard to make something that you understand in your head, to be able to write that

down on paper for somebody that has never heard of this before that it would make sense to.

That is by far the hardest part. When we do that, when we try to break that down, you have to do that in such a way to where it keeps their interest and it also makes sense. Me, being new to the industry, that's where I get hung up in my own way because you always want to make sure you're accurate. That's why I'm constantly going back and forth with you. If I write it this way, this makes sense to me, but I want to make sure that this is exactly accurate and this is also meaning the same stuff. But the writing is a hard part, but I think our readers, and I know I still read a lot of newsletters, but when I was just a reader and didn't work for the industry, you just appreciate that, and you don't understand what goes in behind the scenes to make it … and it should, it should flow just as easily. Anytime somebody reads an issue, hopefully they put it down and they think, "Well, hell, I can do that. That makes sense."

Frank Curzio: And it's true. As a reader or a subscriber, you're not going to know the difference. You're just reading and you're like, "Wow that's interesting." But imagine if, I talk about biotech stock, and we just recommended one that's actually doing pretty well right now. And I wrote it to the point where … this is plain talk. This is how they do it in biotech. Drug 04-E779 just had positive test results in immunotherapy, the T-cells are killings these … it's so sophisticated where I have to read this stuff three, four times, and I know this industry, I know immunotherapy. Again, I've covered that before in that industry.

We want to break it down to show you exactly what this is doing in simple form. Again, as a read, you don't really understand that, but from our point of view, it's going to bring in more people. It's like the Michael Lewis theory. If you're an economist and you're talking bout a specific market and GDP, you're going to sell your book to how

many people? Just people who are economists and a couple of people in the industry like me.

But Michael Lewis. Moneyball is about statistics. And I say this all the time. He got my mom to actually go to that movie and go see it. And mom was like, "Wow, that wasn't really good of a movie, I was just surprised it was more ..." but basically he put a whole story behind them. How these statistics and how it changed the face of baseball. And you're putting a story behind that. What did that do? It resulted in him writing a book that was a best seller, millions of people bought it, and they made a movie for it. Because of the way he writes. Stephen King's the same way.

They really focus on that. Breaking it down, explaining it to you. And that's how I want to read stories. It's tough for me to read the Economist or Wired magazine sometimes. You really almost have to be a techie where, if they simplify some of this, you're going to bring in a much more bigger base, which is important.

Now, I want to get more about you, Daniel, because I want you to talk about maybe some of the lessons that you've learned. Because you've seen me. I've made mistakes so far in the portfolios. You're going to see stocks that we made mistakes on, stocks that went down. Right now, the portfolios I think we're having the best earning season maybe of my career. A lot of the stocks are really, really popping now. Going a lot higher, which I'm very happy with. That's my job. Don't thank me. It's what I do. It's what you pay me to do to make you money.

What are some of the lessons you learned, maybe from the mistakes you saw, maybe the stock picks that we had that didn't work out or things like that that you can explain to people out there that might help them?

Daniel Creech: By far one of the biggest lessons I've learned is, you have

to look for the catalyst. And Frank, you've done a good job of pounding the table and this is something I've learned day in and day out when I get to work right next to you. But you have to look for that. One of the things I like to do and the reasons I like to go back to conference calls is because you have to hold management accountable. It's kind of funny, being new to this industry, I'm gaining confidence every day, I'm learning so much every day, but it makes you feel good to put everything down on paper, to go through these guys' goals and see if management is executing. Are they moving the goalpost? Are they always coming up with excuses?

We joke about this a lot in the office. Everybody that misses earning season. It doesn't matter what business they're in, it's due to weather. "Well, this winter was a little harder' or "This summer was a little harsher." You have to be able to cut through the noise and continue to focus, I like to call it the one big idea. Is our one big idea still intact here? Is management executing? And what is going to continue to drive this stock up or down? If they don't execute, then we might see a big drop off. But if they do, we might see a huge pop in the stock.

You mentioned earning season. It's crazy to watch these stocks move high single digits or double digits after reporting news. And it could be good or bad at times. One of the biggest things I've learned is you have to focus on catalysts.

The other thing is the stock price is a small part of the story. What I mean by that is, you could make an argument that Amazon at $800 was cheaper than another company at maybe $50. Money is emotional, and I've been passionate and studying finances for a long time now. I'm still new to this industry. But it's just incredible to see how much emotion drives decisions, and you really have to separate that.

Everybody says, "You've got to check your emotions at the door and go into this and be levelheaded." While that's true, that is extremely difficult, and I have to continue to remind myself about that. Set your emotions away because it doesn't matter if you fall in love with a stock or not, stocks don't know who's buying them. They're not out to help you. You just have to make sure your research is right, your risk-reward is right. Those are couple of the big things that I've learned just in this past 12 months.

Frank Curzio: You bring up a good point. It's not just something you have to learn. This is something that every analyst struggles, even myself as someone who's been doing this for 25 years. You want to believe in management, you want to believe what you hear. And then you're going to see things a little differently when your emotions are evolved because now you recommend another stock and it may come down and then you're going to have …

For example, if you take a fresh look at Tesla today, it's significant, right? You could say, "I don't know if the private offer's going to, whatever." I don't know. Just a lot of stuff going on guys. I bring up Tesla because it's the stock of the news right where Elon Musk said they might take the company private which is kind of amazing since you just announced that you're going to be cash flow positive and you're going to report positive earnings going forward forever. Why do you want to … there's reasons why, right? Behind the scenes, when you look in. They have convertible debt. It's very important for them to have their stock up. Just weird things going on.

But taking a fresh look at Tesla, at this level, you're going to have a fresh mind compared to someone who is either short or long the stock because you're fighting against people on Twitter and bashing it from the shorts to the longs. When you're in a position, it's hard. Especially if it's going down. That's the biggest mistake, I think, that investors make. Because we talk about stops, right, Daniel.

And we've seen stops where it triggered and maybe it'll go down another 10, 15%. Next year it'll be a lot higher, and you'll be like, "We should have held on to that stock."

But on the other side, if you hold the stock, and it hits your stop and you get out, you're out, now there's no emotions evolved. There's no thinking. If that stock happens to crash even more, remember that's money you no longer have. Instead, when you're looking at stops, because one of the things that I like when you're looking at stops, and I want to add a note, that we've talked about this before, which is something else.

Actually, I'd rather you actually talk about the stops because we have conversations about this all the time, right? It's like, "Holy, cow, look at this go. We stopped out." Other times, we're like, "Man, we stopped out and it's a lot higher." From someone, and I'm not going to explain it to you guys 'cause you heard me mention it, what is your thought on stops now that you've been here and you've seen both. We've seen Diebold come down to, what, it's $6 now, right? That was a stock that I loved, that I believed in management, that we took a loss of 35% on it. And yet, if we didn't stop out, we'd be down 80% on this stock, right? Because our thesis no longer existed, we got out of the stock.

But talk about that, Daniel, when it comes to stops. From someone who's seen both ways, where stocks have come back up, and then we saw companies like Diebold, that we like, that actually got destroyed.

Daniel Creech: Absolutely. I'm going to kind of cheat here and give you a quick answer, but I'll elaborate. It's simply the environment that we're in. If you go to a baseball stadium, you're not expecting to see a football game, typically. The idea of stops, I think it's a no-brainer. There's very few times in my personal opinion where you would ever not use a stop-loss situation. One of the easiest ways you can

do that is, if you didn't want to use a stop, just put in a small enough amount to where you're comfortable losing. So in essence, you're still using a stop-loss strategy. You're stop loss is simply, "Hey the capital that I put in is what I'm willing to risk. So I'm just going to put this away, buy this stock, forget about it and see what happens."

But those are very very few instances in my personal opinion. I think it's a no-brainer to use a stop-loss. Those vary. We, in our portfolios, we use different stop-losses, from 15% up to 50% sometimes, depending on if you're a technology stock or maybe a gold mining or a uranium play or something like that. You always have to focus on the environment you're in and make sure you're tailoring your characteristics to that. Because you always want to try to put the odds in your favor.

You mentioned Diebold. I totally fell in love with that story. Every time you read through that conference call transcript or listen to management they talk about how many billions and billions of dollars they had in their back log. What is that? That just means that they had future orders that they know are coming down the line. They might not happen tomorrow, but it's thinking, "Man, this is a great company. They just bought their biggest competitor. They basically have a monopoly, to use a lack of better word. They're going to generate billions of dollars going forward. The banks are going to upgrade all of their services. This is a fantastic play."

And, it is the same story for several months, several quarters. I didn't want to get out of the stock. I thought, "Man, we shouldn't sell this. This is going to happen. It's a when not if strategy." But, thank goodness we did sell because you're right, we took at 35, 37% loss, and I looked at it yesterday and it's trading for $6.10.

We had talked before. The emotion side of it … and I think

people, if there's one thing that I can try to get through to everybody listening, no matter how old or young you are, the emotional side of it affects you dramatically. Frank, the first couple of months I worked for you, we had a few losers in the portfolio. Earning season was happening, stocks were moving like crazy, and it was one of those situations where it's like, "Man, all we're thinking about are the stocks that are bound. You had several that were going up, but we never talked about those. All we were focused on was the positions that were down. And we were researching, trying to figure out why? What did we miss? And that weighs on you, and that affects everything else and your decision making when it comes to investment.

To have a stop-loss strategy in play, the biggest goal and the biggest opportunity that you have there is that that helps you take out emotion. If you just sell it and move forward, it's kind of like, you have to have a short memory. If you're a quarterback and you throw an interception for a pick six, well, unless you're quitting, you have to go out on the field the next series and get it back. You have to have a short memory. Stop losses help you do that and you can role that money into something else.

I highly recommend it for everybody, not just because it'll help you save money over the long term, but because it'll make you a better decision maker going forward.

Frank Curzio: It's a good strategy, guys, because like Daniel said, when it comes to sentiment, right? When you have your loser in your portfolio. I know everyone who listens to this has a big loser in our portfolio. We all do. I even get questions, "Frank, what do you think about this stock or that stock?" That they may still hold. And I'm like, "We stopped out of it." And they're like, "Oh, well I thought ..." Then I can't help you. I really can't. If you're not following the rules. Because when the stock is down, that's the one that you're focusing on the most. Instead, you get rid of the dead weight and then we focused on how many different

stocks and trends that are doing exceptional right now and now the portfolio is on fire. We've seen probably, you probably know better than me. But of all the stocks in our portfolios, I would say, with earning season, I'd say there has to be at least about seven or eight of our positions out of all of our positions, probably 25% of our positions have had 10% plus moves over the past could weeks during earning season.

It's been unbelievable. We've had an exceptional earning season in stocks. Several that were up 20, 22%, 23%, 17%, 15%. It's been exceptional. But now we're focusing on the areas that are working instead of worrying about the five or six losers in your portfolio because you're going to look at them every single day and say, "Why should I buy more? What's going on?" You've got to put more into it. You always want to look at things from a fresh angle, and I think that's one of the most important lessons that I've learned the hard way.

A lot of lessons that I tell you guys is because I've made those mistakes. Let's get back to you, Daniel, because I want you to talk about some of the research engines. When you came here you probably used to, typical investors, individual investors, maybe use Yahoo Finance, maybe use Seeking Alpha. They'll see a couple of stories in the Wall Street Journal, whatever.

What's different now that you're here maybe compared to things you used to use on the research engine side that have helped you tremendously, because sometimes it's really reading the right sides, looking for the research and getting the story right. You need to be reading the right stories, right?

Daniel Creech: Yes. It definitely helps to have the research. But for everybody out there, if they don't subscribe to something, there are a lot of good free websites out there, and you talked about this in the past, and just listening to your

podcast over the years is how I got onto a lot of those. So, Seeking Alpha, [inaudible 00:40:09], Yahoo Finance is okay, but it does help a lot, when I moved to Florida and started working for you, my Capital IQ, for instance, is an amazing platform. You're able to pull up just about any stock. You can pull up all kinds of the financials, get everything you want right in front of you, basically in the snap of a finger. And the hardest part of that is just how to learn to use that platform.

I know you talked about briefing.com. That's an incredible service because briefing.com is very simple for me. I love Briefing because it's basically bullet points. Going back to the writing thing, real quick, Frank, this is why me personally, I'm very simple minded, I try to break things down. But I basically talk a lot of times, or I would write more notes, instead of a story or a write-up. That's why I love Briefing. Briefing is just bullet points, basically. They give you the highlights and the opportunity to dig in further, but I think that's amazing. Capital IQ is one, Briefing is another one. We joke about different websites, free websites. Again, you always have to know the environment. Zero Hedge is a great website. I check it every day. But you have to understand, going to that website, those guys sort of have a bias towards the world is coming to an end, and you almost get the feeling that they're rooting for it in a way, they're almost looking forward to it.

It's great because you get a lot of different information put in front of you. I think you ought to be an information junky so to speak. Again, the hardest part is learning how to sift through that and say, "This is more noise, this is more something that's useful." For the people out there, I would encourage them to look at any and all websites, but it definitely helps just be more efficiency and get right to the point with some of the services that we use in the office. It's been a fantastic experience.

Frank Curzio: And guys, you can use Fly on the Wall as opposed to Briefing if guys you've got anything else you can email me. Frank@curzioresearch.com. I'm looking for things that are not too expensive for you, but basically these companies have apps, and they just give you bullet points on everything that's going on. And it's not overwhelming. Especially during earning season, it's awesome. They'll tell you who reported, whether they beat or not, consensus estimates. And then they're going to have, later on, bullets there with the conference call. They'll have previous of the Netflixes, the Amazons, almost all companies … this is what you expect heading into the quarter. So you have those numbers.

And imagine having that a day or two before. It's pretty cool. Now I know, "These numbers, they better hit." It allows me to research these stocks even more. And they'll talk about the analyst calls and who's upgrading them and downgrading them and stuff. For us, it's just having access to information the quickest as possible because there's so much garbage and nonsense out there, it's crazy. Sounded like I was from Boston when I said, gahbage. Garbage. It is crazy out there. The resources, you brought up a good point with Zero Hedge because they do have research. But remember, if anything's positive on the company, they're not going to talk about it because that sites not about that. And I like those guys and they're smart and have great stories, but basically, if you only read that site, you've probably been out of the market for the last seven years, in the biggest bull market maybe in a generation. So you have to be-

Daniel Creech: Absolutely.

Frank Curzio: -careful. You want to follow people. Newsletter writers, not just me or anyone out there that doesn't have a bias towards downside or the upside. You want to be able to flip that switch, where if something's working, I said "Look guys, tariffs are just not a big deal. Tariffs are not

a big deal. Don't worry, it's going to be a non-story." The reason why I said that is because when you look at the amount of money we're saving from tax reforms. If you look at the auto industry and steel tariffs, they're making $550 extra per car, on a $4,000 profit, which increased another $550 because of tax reforms and with steel tariffs, they're going to lose a hundred, a hundred and fifty. So combining them is not really a big deal. We're seeing stocks at all-time highs. The market's hitting all-time highs.

But, if the thesis changes. My thought was, "China's going to be an idiot to do this because they're going to crash the markets." Right now it seems like China's like "I don't care if we crash the markets." If that's the case and you're still going to see tariffs, then it's going to be a bigger story. You're going to see me change my mind maybe a couple of months from now and say, "Hey, you know what? These guys aren't backing off. They should back off and they're economy would be fine and make trade fair."

But you have to be willing to not just have a mindset where no matter what the facts are, that's my mindset. You have to be willing to change. And I see that that's one of the biggest mistakes that people make. They just follow the wrong newsletter writers 'cause they have a bias to the downside, a bias to the upside. And no matter what happens, that's the way they feel.

You really have to look at the facts 'cause things change, and when they change you have to be willing to change. Dan, I guess we'll end with this. I want to talk about, maybe, because for anyone out there who's listening to this and listening to Daniel's story and maybe want a job here. It's an open door policy, too, 'cause Daniel comes in and asks me a ton of question. You have to come to Florida and work here. I'm all in if you're all in. If you're not then I'd probably get rid of you right away.

How many hours do you work? Because it is an intense job. It is crazy and it's something that you have to do. But as you were saying earlier, sometimes it's Saturdays and Sundays. I like to work those days because I have tons of emails that come in and my wife may take the kids out sometimes early on, and I'm not getting emails. For me it's easy for me to focus on Saturdays and Sundays. And you'll come out on Saturdays and Sundays. But talk about how much you actually have to work because that could be discouraging to some people, but that's what's required if you really want to be … I'm not hiring you to be a yes man. I'm bringing you to be one of the best analysts. I want to teach you how to be the best analyst in this industry. To do that you have to put the time in, right, Daniel? Talk about that process and how much time you put in.

Daniel Creech: Yeah, absolutely. I know this is going to sound cliché, but if you do enjoy something, I think the biggest thing you have to have is have is a passion or interest because there's been countless time already just in the several months to where you'll give me a stock and I'll start researching it, and before you know it, you've been researching stuff for three and a half hours and haven't even gotten up from your desk. So, a lot of it just goes so fast because you enjoy what you're doing, but yeah, this is absolutely not a 40 hour week job. I don't want to pat myself on the back. I don't know how many hours I put in a week on average, it's a lot more than 40. But it doesn't feel like work because you can do it from anywhere. And one of the great things about this industry and working here is you have that flexibility. I'm in Ohio right now visiting some family and friends. I'm still working. And don't feel too sorry for us out there. When I go in on Saturday I never make it in before noon. So, there's a lot of good flexibility there. I don't know, 60, 80 hours a week maybe? Again, I don't have that number, but it's a hell of a lot more than 40 but it's fantastic and it's worth it,

Frank Curzio: Now that's cool stuff. Well, Dan listen, I want to thank you for coming on. I know I was like, hey man, I want you to be on a podcast. You're like, what? But after a year's time, and I instructed you, make sure you're not going to kiss my you know what on this, I want you to be perfectly honest, because for me in hiring people, I never want you to get into something that you don't know what you're getting into because it's not going to help me. Right? Because it's me wasting my time trying to train someone and then they're like, awww, it's too much or whatever. So, I'm always telling people how difficult it is, but the light at the end of the tunnel.

It's a huge, huge opportunity that I was fortunate enough to work with my dad, hands on, and also Jim Cramer. These are guys that yelled at me a lot because they cared about me and wanted me to learn, but the dedication was there. The hours were there and I worked my butt off. Eventually it led to me starting my own company. Even/or you're going to learn something that is going to help you for the rest of your life. Right? Say you do it for a year and you're like, ugghh. You know what, this is too intense and maybe I don't want it. Think about what that's going to do for your portfolio, what you learned going forward. Right? So I really appreciate you coming on, Dan, and giving me the scoop on everything and I know we're getting ready to write another issue and stuff like that and have some fun, so you guys are going to see Daniel's name on a lot more stuff going forward. But thanks so much for coming on. I really appreciate it.

Daniel Creech: Hey, thank you. I really enjoyed it and hopefully we'll do it again soon.

Frank Curzio: Great stuff from Daniel. I mean, here's a guy that is dedicated, works his ass off. I put him in a position to learn more than he's going to learn probably if he worked for any other place out there. Open door policy for my research analysts where they can come in and ask me

questions whenever they want, and I try to help them, especially writing, communicating, and stuff like that. Look, you know, the hours you put in are a lot. For me, I always make sure my employees when you have vacation and you take off, do not call the office. Get away. You need to get away. I don't care what you do, just make sure you have fun. Everybody has their own vice or an out or whatever. You need to enjoy yourself because this is, you really have to work hard here. It gets really crazy. It gets really busy. So when you off you need to have off. You need to get away. You need to spend time with your family, and I always make sure with my employees. Listen, get away. Don't worry about anything. Don't call. Nothing. And it's funny, because all the employees that I hire love their jobs so much I have to stop them from calling. How's everything going? I'm like, just hey. Just sit. Get away. Which is really cool.

But I want to know what you thought of that interview. Right? I just want to give you a behind the scenes look at someone. Also, I think that's going to be a great interview for people looking to work for me in the future, especially on the research analyst side. Now I've been through this whole entire process and I know what I wanted. I was fortunate enough, again, you can say what you want to Cramer. He has his critics or whatever. But our job is to learn every industry, every stock, every sector. Look at his lightning round, how many stocks he talks about. It's over 2,000 stocks he mentions in a year which is insane. It's just crazy which is way too much. Way, way too much.

But if you look behind the scenes, which a lot of people never really asked about that, until I see them. Right, when they say, oh you worked for Cramer. How was it? How was it? That's what I get. How was it working for Cramer? You need to know everything. He would come in and say I need this, this, this, this and this. You just say, yes. And then you go to the other research analysts and say, what does he want? Where do you get this? What does

he need? And you provide all this information.

Plus I'm doing a podcast at the street for how many years. It says I did something like 600 episodes. I probably did about 3,000 episodes all together in my career. You're looking at just the sectors and the stocks and everything, but our job on the scenes was to research every one of these things. I was fortunate where there was so much it was so overwhelming for Jim that he's like, Frank, I need you to go ring the bell with Yamata Gold. Right? I rang the bell with Yamata Gold in the New York Stock Exchange because I worked right across the street. Go meet this management team. You're an analyst, go meet these guys, guys that didn't even know how to research and that day pretty much 3 p.m., he's like, go meet these guys at 5:30 in the city for dinner. In two hours I'm researching like everything I need to know about an industry or this company or these executives. This way, I'm a person who always prepares for every interview and everything. I know exactly what to ask these people, what they're talking about and what I want to challenge them on and stuff.

For me, being in this industry, I know what I wanted. I was fortunate just to learn from great, great people. And that's what I want to give to my analysts. People who are all in. But you need to be all in. You can't half-ass it or it will never work, just like any job. Right? If your heart's not into it. If you want to be a great golfer, if you really want to shoot under par, you really gotta go five times a week, minimum. You can't go twice a week. You're just not going to put in the practice.

If you want to be a great analyst, you gotta be here five, six days a week. You gotta put in the hours. Is it a lot? Yes. But that's why if you're doing what you love and you're just researching new ideas and that's the one thing about this job that's fascinating. Even for myself at this level, I'm learning something new every single day about an industry, about stocks, about management teams. I'm

always learning and that's what makes it interesting. I'm not sitting behind a desk and saying, here's a spreadsheet. Here you go. Okay, here's a model. Here you go. No. We'll learn about different industries, different leads, history I want to write about, things like that.

And it all comes out in our newsletter. So I wanted to give you guys a behind the scene look. Let me know what you thought. Frank@curzioResearch.com, that's Frank@curzioResearch.com. Again, I think it was a fantastic interview for people, but even for subscribers, guys, I want you to understand the process that goes behind this and how much research goes behind. Where it's just like, oh this stock looks good. Here you go. Let's write about it and throw it out there. It's a lot. It's detailed. That's what you pay me for. It's my responsibility to make sure I find the best stories, the best stocks for you, really digging into the research. That's why we've had a great performance right now and I've had that performance pretty much for my entire career. Again, it's going to be ups and downs and stuff like that, but if you put the work, you're going to see really good results. And hopefully that came out in the interview with Danny, which I instructed not to kiss my butt when he did that interview. So that's him. That's for real, a really, really great guy, so hopefully you enjoyed it.

Now, let's move on to my educational segment. It's not gonna be a long one here, but it's a very, very important one because you're looking at S&P 500 companies, most of them reported. Some people say, well earning season is winding down. No, it's not. Small caps are starting to report, a much, much, much bigger market. Even if you just want to do something simple, say S&P 500, 500 largest companies in the market cap, and you have Russel 2,000 which is 2,000 stocks that focus on small caps.

Now, tons of them are reporting and for me, one of the biggest things for me to find new ideas, and I've mentioned this before, but I'm going to pound the table on

this right now because it's essential. It's something you should be doing right now. I want you to look at 13F. Now, the reason why I'm bringing this up again, and I've had educational segments about this, is because I want to get, it's easy to get more into the details of what I want during earning season and telling you, hey, you know, these guys add to positions or whatever.

And the 13F is basically any fund over $100,000,000 has to report their new positions, their increased positions, the position they maintain, the close positions, and the position they decreased. They're basically telling you what's going on in their portfolio. Now, this could happen three months from now. This is over the past three months. So they would have increased their position and got out of it over the past two weeks because that two weeks is going to be reported the next quarter. Right? So what you need to be aware of is some of these firms, especially if you're into algorithm trading, you're getting in and out, you know like Renaissance Capital in and out. If you have value managers, they're buying stocks and they're going to hold them forever. But just know the difference.

So you want to make sure you look at, you don't want to basically see that, let's see, Pershing Square is actually out there. So you have Bill Ackman who his new position include a UTX. Right? For about two million shares. He maintained positions in ADP, Chipotle, and he closed the position in Nike. Right? So when you pull up these 13F's, they're going to tell you right now from May. That's when, so they report these right after earning season. So the new 13F's are going to come out in I would say over the next week or two, maybe three weeks. They're going to come out and update their positions. But what you want to do right now is go back and see what they owned in May. So that's what I'm doing. Not in May, but even the quarter before because I want to see what these guys are buying. What they're selling.

Here's how I play it because I don't look at Pershing Square and say, well they have a new position at UTX. I should go buy it. No. Do not do that. What you want to do is focus on the things that just are weird. Like, crazy position that they're adding to. Are they adding to banks? Are they adding to different sectors? Is there a small cap that they're just going into, that you're like, wait a minute, What's this small cap? Are they getting out of positions? You got Larry Robbins who's Glenview Capital, John Paulsen, Paulsen and Co., Sorace Fund Management, George Sorace. You have Elliott Management, Paul Singer, Appaloosa, David Pepper. Third Point is Dan Loeb. I can keep going. Carl Icahn. Even Warren Buffett reports. Berkshire Hathaway. Increased position in Apple last quarter. Teva maintained position in American Express and Bank of America. Closed position in IBM. So, I have all this stuff up and looking at from May what they're doing, and I want to see some of these stocks that they go into. If I see something like, wow, that's kind of weird.

Like, I mentioned this in educational video that I believe I did on Facebook. I'm going to provide all those videos to you going forward on our platform not just Facebook because again a lot of people don't go on Facebook and a lot of people hate Facebook even more now, even though I can't believe it's a surprise that Facebook is stealing their information and selling it to people. But that's beside the point. But I want to, one of the things I highlighted was a company called Calloway. Calloway Golf. Remember Calloway Golf? And I saw somebody take a position in Calloway Golf. I'm like, Calloway Golf? What is this guy, crazy? Well it turns out Nike, who the biggest sponsor was Tiger Woods, well tiger Woods decided, well not Tiger Woods but Nike decided, hey you know what? We're not going to get into selling equipment anymore, golf equipment. We'll do clothes, but no more equipment. What does that mean? That means if you look at other companies, they're going to see a dramatic

increase in revenue. Right? So this is an interesting story because I saw one hedge fund loading up on this and I started digging into it a little bit and now the stock is up tremendously. Right?

So it's weird because I'm like Calloway Golf. It's such a crappy company. They haven't done good in a while, but yet, when you're removing a major competitor, now a lot of the business is going to go to Calloway and their drivers and stuff like that. So this helps you find new ideas. I want to see who's increasing positions. Like, if someone increased a position in May in whatever stock it is, and that stock just reported earnings and it's down 15-20%, that interests me.

Especially if a Carl Icahn, he has a new position in Newell. Right? And this is in May. 30 million shared of Newell. Newell's been getting smoked. And I want to know is Carl Icahn going to add to this position? Well Carl Icahn usually adds to his position. He doesn't buy a stock year. He establishes new position in May. He doesn't buy his stock for three months. He usually buys it minimum for a year or longer, then tears apart management. Tries to go in there. Writes letters to them especially when the stocks are down. But now Newell is down a lot. Maybe it's something I want to take a look at because you're going to get in at a much, much better price then Carl Icahn plus there's a good shot that he's going to add to his position down here.

So what do I do? I'll give you an example, I'm not going to recommend Newell. I'll look at Newell and I'll say Icahn just recommended it, the stock is down 15% from where he bought it, not recommended but here he initiated position, he bought it. Now I want to dig even further. Does the company have a buy back that they just announced? Because if they do, that's going to give me more support here. 15%, I know the company announced a buy back already, so I'm sure they're going to buy back a hell of a lot of stock if it's down 15%. You're gonna have

Carl Icahn in there, probably going to buy more and you know that guys pissed off, so he's probably going to put out letters and everything to management with changes. This is what you're going to sell the company for. Those are positives.

Now I'm digging into the research of the company. Now I'm going to go even further and look at the fundamentals. What's going on>? What's the catalyst, like Daniel said? What's the catalyst that pushed Newell higher? Are they into leveraging the balance sheet because they had a lot debt? This is a company that got crushed a while ago, before Icahn purchased it and it fell even further after he purchased it in May. Look at the fundamentals. What's the catalyst? How much debt are they going to be able to? Are they selling off divisions to pay down debt? Are they restructuring? Because if they have catalysts going forward, or if the cycle changes, not only are you going to benefit from the cycle changing, and this is where you see the most upside, and hopefully I'm not getting too crazy here, if you're following along, but when a company announces restructuring, what do they do? They get rid of employees. They cut the visions. They cut facilities. They close facilities. They do all this stuff. And that drastically increases earnings. Drastically.

So not only are you getting the benefit from a company that's restructuring operations, you may say, well I think this cycle's going to turn maybe in two years. See if Newell pays a dividend. I have no idea. So maybe I get paid two, three percent while they're doing this restructuring. They're going to buy back the stock. Carl Icahn's probably going to buy it. Now I have a floor on the stock that's down 25% that I'm able to get a discount to where Carl Icahn bought it three months ago. Pretty cool when you think about it.

Everybody has access to this type of research. So look at the 13F's. You can pull them up again, we mentioned

briefing a lot, I don't get paid by them or nothing, it's just a really good site. Fly On The Wall is another one. You can go, I think on SeekAlpha, just type in 13F's in Google and they're going to come up with the latest. They have to disclose this. This is public information after every quarter. And go through one by one and just look at some of the stocks. Did they increase position? Maybe they closed a position. Whatever it is. But you'll see, Bridgewater is another, again Ray Dahlia, the largest fund in the world, I wouldn't really focus on that because those guys are getting in and out of a lot of stuff. But Tiger Global. Any new positions in Twitter on May 18? Twitter just got smoked. That's a new position for them and they're going to start adding to it. Visas' change? Well let's see when the 13F comes out next week.

Because if I see that Tiger, you know they took a ten million share position, almost a ten million share position, if they're adding or doubling down on that position, you're going to want to look at Twitter even more. I'm going to get it at a huge discount to one of the biggest billion dollar fund. You see and these guys double down, see if anyone else is actually purchasing it or if they're out of it and [inaudible 01:01:45] isn't there, or no longer exists, but this is how you find new ideas. You just want to see what's going on. And maybe you're still not going to buy Twitter. You wait until next quarter. Maybe it comes down they report another bad quarter. Now you can really get it at a significant discount to these guys. But that's how you look at 13F's. Because you look at them as investors coming in, adding to the positions where they're going to provide a fall.

Why am I doing that? Last point here. I don't want to get too long on this. Why am I doing that? Because a lot of people want to see an uptrend. And my friend Steve [inaudible 01:02:15] cheap pain in the uptrend which is an amazing strategy. He's great. He's one of the best analysts out there. I love Steve. But when you wait for an uptrend,

say if a stock goes from 20 and it goes down to five, and I've seen that happen a lot in the small cap world, now most people aren't going to buy it at ten, nine, eight, seven, not even at five. They want to see an uptrend first. Well that uptrend can take place at seven, seven fifty, eight dollars. And then they'll get in. And that's a solid base and that's cool. And say if it goes back up to like 16. Okay. That's 100% gain. That's good.

But say if you're doing the research here and the stock goes down to five. You see insiders buying. You see a guy like Carl Icahn getting into the stock, just saying, hypothetically. Okay, there's five dollar stock. A lot of these funds aren't going to get into small price stocks. There's not enough volume for these billion dollar funds. But let's just say. Icahn's going to be adding to his position. He took a position at eight. He took a position at seven. So you know he's probably going to add to his position at five. The company's restructuring operations. You got insiders buying. When you see this, it limits the downside on your stocks. So now what do you do? You buy like five, five fifty. Now if it goes to sixteen, seventeen, eighteen, you do the math on those gains. Compare it to, from eight to sixteen is 100%, from five to sixteen you double your returns. That's how you generate alpha for me in this market.

So that's why I want you to focus on 13F's very, very important. What I look at doesn't mean I'm going to buy the exact stock that they bought, but it gives me access to information, very important information of guys that you follow that I know that are going to buy, that are going to add to their positions. I know Icahn's going to go off on Newell brands pretty soon. It's just a matter of time because he's getting crushed. That's what he does. You know what? That's going to be mentioned on CNBC he's going to go on Fast Money and you know what? It's going to result in the stock probably going higher. But these are some of the things that I use that you could use. That you

have access to right now. And you want to do it during earning season.

Last time these guys had the 13F out was in May. It's going to come out probably in a week or two. Just compare them side by side. Who's adding positions? And see what those stocks did over that three month period. A lot of those stocks got nailed from when some of the best investors bought them and you can get in at a significant discount to when they bought three months ago.

Hey, guys. Hopefully that wasn't too much. If it was, you can go back and listen to it. And people say, can you explain it? Could you give me that symbol? There's this new thing like the rewind button that you can hit and go back 15, 20 seconds and listen again. But very important, trust me, at least some new ideas which is leading to my newest idea in Curzio Research Advisory which I'm just finishing up my research on. It's going to be published Friday instead on Wednesday. Amazing stock best of breed company. We've been on fire with both newsletters.

This one, I think has tremendous upside potential. The analysts that hate this have a target price that's like 30% than what the stock is. It just got decimated. And [inaudible 01:05:03] a leader in the industry and one of the biggest industries in the world and their last two quarters they missed wasn't even that bad. But the expectations were just so high that analysts are like, we hate this stock now. And it's just capitulated. We see one of the best fund managers increase his position in this stock. And one of the best fund managers that I like to follow. And we're going to be getting in at a 20% discount to where he bought the stock. So, you're going to get that pick on Friday if you're a Curzio Research Advisory Member. If not, if you want more information, guys, always feel free to email me any time. Frank@curzioResearch.com. That's Frank@curzioResearch.com.

Okay, guys. That's it for me. Thank you so much for listening. I'll see you in seven days. Take care.

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