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: How's it going out there? It's Friday, November 23rd. I'm Frank Curzio, host of the Frankly Speaking podcast where I answer all your questions. American stocks, economy, sports, and anything else you wanna throw at me. I created this podcast to answer more of your questions that you were sending me through my Wall Street Unplugged podcast, which I host every Wednesday.

If you want any questions answered, just send me an email frank@curzioresearch.com. That's frank@curzioresearch.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.

So hopefully you're not listening to this right now because you're hungover from watching football, 'cause you ate too much at Thanksgiving, and you can't get out of bed. Hopefully. But Frankly Speaking, as you know, I usually answer your questions. Keep getting a ton in, I love it, frank@curzioresearch.com. I get a bunch of questions, and answer, and you know, people say, "Frankie, are you gonna do a podcast Friday? You know, it's the holiday weekend."

I don't miss podcasts, I just don't. I want to put something small together, then it turned into something bigger, 'cause I'm gonna cover a few things, and by saying I'm gonna cover a few things, I'm doing something different. I'm not gonna take your questions, I'm getting tons, I know you guys are excited about the markets, I'll go over that right now, but I just wanna say a few things. There's gonna be a little of a different style for Frankly Speaking, we'll go back to the normal process, where I'm gonna answer all your questions.

But just be prepared, this is a little different. First, I know a lot of you are nervous about the markets, and don't be. I'm sure your portfolios got hit a little bit over the past two months or so. With today's media, they inflate everything, right? I mean, even simple things like Facebook, "Zuckerberg needs to step down! He shouldn't be there anymore!" And how he should fire Cheryl Sandburg. It's amazing how terrible these journalists are. Since if you look at Zuckerberg's … they're responsible for Facebook becoming one of the biggest companies in the world. Starting it from scratch.

And a few signs of adversity, and then you have, you know, a few problems, and again, we had all the problems with Facebook, and privacy issues, yeah, everybody just comes up, they just prints whatever they want, right? It's the media, "Zuckerberg should step down, Sandburg should get fired!"

I can personally tell you, if Zuckerberg does step down, Facebook will probably be worth less than $70 a share. Probably get cut in half immediately. And the acquisitions this guy has pulled off are incredible. He never sold the company early on, which he could've, generate a fortune for himself, retired, been at a beach the rest of his life, right? He said no, this is bigger than that. I'm not gonna sell to Microsoft's, to Google's, to hell with them, I'm gonna build a company just as big as them.

These guys were looking to take him over when they had a few million users, they have two point five billion now. How amazing is that? But it's just incredible, how the media jumps all over people, jumps all over things sometimes, and it does, it changes or influences your perception. Even the markets. "Debt levels, junk bond, debt rising," like all these negative stuffs that existed before the market was coming down, they just, you know, throw them out there 'cause they know they're gonna get paid, 'cause their job is to scare the crap out of you, right? 'Cause you're gonna read the story, and say, "Wow," then you're gonna talk to your friends, "Did you see this story?" Then you got to forward it to them, and that gives them more page views, and they get more marketing dollars, that's the game.

So they're not gonna tell you the truth, they're not gonna say, "Well you know what? This is a normal course of the markets, they come down sometimes, yes we go through recessions every seven years, five, whatever it is, and we haven't had one for a very long time." No, that's boring stuff. They don't want to tell you that. No way. You're not gonna click on that.

What you need to know, especially now as an investor, is the markets are trading at very cheap levels here. People say, "Wow, they're expensive," they're not. They're trading below the five year average, based on valuation. Trading around 15 times earnings, with the five year average being 16.4. You say, "Frank, but earnings is slowing, and we have tariffs, and high interest rates, the dollar's going high." We know, we know all these risks, right?

But I gotta tell you something. 'Cause I'm seeing more opportunities today than almost any time in the past three years. And I'm not talking about these crazy small caps, and I'm able to find and travel, have great contacts, and find great ideas [inaudible 00:04:53] I'm talking about the big guys, the Dow components. When I see a company like Goldman Sachs is trading at seven times forward earnings, down 25% over the past 12 months, pays a 1.6% yield, growing those earnings tremendously. Looking at IBM, eight times forward earning down 22% over the past 12 months, 5% yield, pretty nice catalyst, red hat now. Again, we know the problems IBM's had, but eight times forward earnings.

Intel, 10 times forward earnings, just reported. Record earnings, record sales, raised guidance for the year, yet the stock is flattened the past two months, paying 2.4% yield. JPMorgan, again, stick with the Dow components, 11 times forward earnings. 24% earnings growth year over year. 3% yield, 34 billion operating cashflow generating. Caterpillar, nine times forward earnings. Grew earnings by 60% last quarter. Stock is down 20% over the past 12 months, generating 5 billion operating cashflow. Nearly a 3% yield.

To put this in perspective, you don't see these valuations often. This is close to credit crisis valuations, like the end of 2008. And what did we see, the beginning of 2009? Which maybe some people forget. The market fell even further. Fell more than 25% from January to March. That was the ultimate selloff, but it turned out, if you bought stocks at the end of 2008, they were fantastic buys, 'cause the market came roaring back two, three months later, so I think it fell to March, but June it was back up to those levels, and what happened after that? One of the biggest bull markets in a generation.

The markets went up eight straight years? I'm not saying go all in, like you have ... like you could've did in the beginning, or March 2009, where you could've bought any stock, and probably did well, 'cause the whole entire market took off. But right now, it's more of a stock pickers market, where I'm seeing tons of disconnects between ... actually between stocks trading within the same sectors. It's not like, wow, this whole entire sector's dirt cheap. No, there's just names within sectors that, there's just a disconnect, with some of them trading them at eight, nine times earnings growing faster, growing those earnings faster, than companies trading at 13 times earnings, within the same industry, and you know, we call them comps, you know, when you're comparing, and it's not like you're comparing JP Morgan to First Central Bank. It's like comparing JP Morgan to Bank of America. I'm using that as a hypothetical example, but there's industry leaders, where it's like one to five to six to seven, where you see massive discrepancies in the valuation.

You say, "Well why is that happening?" And that happens a lot, when you have these massive selloffs. It's normal. I can tell you, forget about what people ... "Oh, the selloff is due to tariffs! The rising rates!" These risks were talked about for months. They're factored into stocks, we're talking about this, for months.

But the selloff is technical. It's algorithms getting triggered. Once these companies break through certain moving averages. Whether it's a 50 day moving average, 100 day moving average, 200 day moving average. These computers, these systems, are amazing. I mean, they're able to see every order on the market, and they can basically front run it, causing the initial sell off, or you know, they're first out, and what happens, because these are big institutions, right? We're talking about some of the ones with the best algorithms, that hire the best mathematicians in the world, right? They get paid a million dollars, instead of making 60 grand a year at a college or something. Hopefully they're making a lot more than that.

You know what hedge funds I'm talking about, when I say that. There's a lot of research and reading you can do. But, it's amazing. 'Cause once the big algorithms, or once these big firms sell off, what happens? Then everybody follows suit, "This is why we gotta get off right away, let's get out of this." And it results in an even bigger selloff, as funds are running to the exits to limit their losses, especially this late in the year. If you have your benchmark beat, you want to lock it in, you want to be careful, that's a big paycheck for you. You want to make sure you're beating your benchmark. How do you do that? Well, create the best systems that get you out of stocks first, when they're falling. That's a pretty good system.

It's also, you know, tax law season. So you see selling coming in, where you know, we could see further selling of names that are down, to basically lock in your losses, to reduce your overall capital gains, if you have those, you know, offset them, this way you pay lower taxes, which is normal. A lot of these companies become screaming buys in January. February, sometimes.

But what I really like to see in this market, and you should be paying close attention to this, guys, this is important. Since the markets are volatile, they move sharply higher, also sharply lower sometimes, which we saw over the past six, seven weeks. We see selloffs like this, that sometimes don't make sense. What does that mean? Where you see a company like Home Depot, Intel report amazing earnings, raised guidance, and you're not really seeing a big reaction to the upside in their stocks, because it's a bear market, where you see some of these things that don't make sense.

One of the biggest bull indicators, for you to look at, is what are these companies doing when these selloffs occur? Intel comes out, says, "You know what? [inaudible 00:10:28] we're gonna buy back 15 billion dollars' worth of our stock, 'cause it's a joke that are trading here."

That's a bullish sign. That's awesome, that's what you want to see. You know, a company saying, "Wow, we believe our stock really shouldn't be trading at these level, we're launching a massive buyback, one of the biggest in our history, to basically take advantage of this." And when companies announce buybacks, it doesn't necessarily mean they have to buy back the whole 15 billion. They might purchase some of it, none of it, but you know, most of the big companies stick to their word. But I'm sure they're gonna look the purchase right here. And trading it at 10, 11 times earnings, record earnings, growing, great yield, why not?

Another thing, you see insider buying. I mean, I love to see that. Listen, your stock's gotta get hit, when you're in a market, when you have a publicly traded stock, it's gonna get hit for no reason sometime. Maybe it's a competitor that warned, and your stock gets nailed by 10%, then another ... look at Take-Two. Take-Two has been absolutely killing it, but every single one of their competitors, which is the three largest ones, right? So they're fourth, I believe. You have Electronic Arts, Blizzard, and let's see if that one escapes to me, or it'll come to me, anyway, Electronic Arts, and I'll talk about Tencent, 'cause Tencent is huge, but you have all these companies, where you're seeing them warm, and their stocks got nailed, and you look at Take-Two, and the numbers were great, you know? A little discrepancy, 'cause Red Dead Redemption just came out, which is the biggest selling, the best-selling week of all time, next to Grand Theft Auto, but the stock is down like 10, 12 percent, off of its highs, because everything else has ... the rest of the industry been doing terrible.

So that's a selloff I look at and say, "Okay, what's going on with this company?" These are insider buys, and you're seeing that with a lot of these stocks. You're seeing insiders come out and say, "Wow, we shouldn't really be down this much," and it's great because many of our portfolio holdings, if your subscribing to current research advisory, or 'cause your venture opportunities, I mean, probably four or five companies now have seen what massive insider buys on the selloff. That's what you want to see. You're never gonna be able to time the market and say, "Wow, I wish I got out in September, and now I wish I was jumping back in."

No, it doesn't work that way. Imagine trying to time the market for the last 60 years, compared to just buying a stock and holding it until now? I mean, you're probably up a fortune, especially if it's a DOW component, especially if it's you now, one of the biggest companies, SP500, or whatever, I mean you bought it a long time ago. Decades ago. But imagine trying to sell out before 2008, or sell out before the whole entire internet crash in 2000? We still make technology stocks. And then buy them back in 2003. Oh yeah, and I knew 2008 was coming, too, so 2007 I sold, and I bought back in 2009 at market. Yeah, that would be nice, if you had a crystal ball. But we don't. So you want to make sure the long term thesis is intact, you're gonna see markets move like this, you're gonna be able to take losses, don't get crazy.

people, really smart people tell me, "Frank, guys I have, lawyers, I'm thinking about taking my money out of this." Relax. I mean, it comes down to valuations, and there's a lot of great companies trading at cheap valuations. We can come down further from here, but interest rates are still relatively low, the tariff nonsense is not good for anyone, they're gonna figure that out, I think, over the next couple weeks. They have to. I mean, China's market's getting destroyed. I don't know how much further they can go, it's getting very very very ugly. I mean, manufacturing's at a recession now. Home sales are declining, consumer confidence is shot in China, and now we're seeing the effects of our market, because you know, the tax reforms are already priced in, and now, you know tariffs are gonna hurt earnings a little bit, and that's why they're reporting weaker than expected guidance, with the rising dollar, lot of these companies have overseas exposure, and all this stuff.

So yeah, there is uncertainty. If you're a CEO operating a company, how do you issue positive guidance with so many moving parts right now? It's better to be conservative. But earnings are still solid, they're still strong. They're gonna slow down, percentage wise, from the amazing growth we've seen, which is 24, 25 percent last quarter. It's incredible. But still, in pretty good shape. Yes, there's problems out there, we shouldn't be trading at all-time highs, but there's a lot of stocks that should be trading 30, 40 percent higher than what they're trading right now.

And yes, all the FANG stock sold off, but you know what? When I look at Apple, I understand it. It's something we talked about a lot. I mean, I'm not gonna trash Apple, because now it's down over 20% from its highs, and I think now it's more reasonable. I wouldn't tell you to short it, here. But you're looking at, you know, the FANG stocks right now.

I think Facebook is coming close to a buy, something I told you to avoid after last quarter, after it went from 200 and change to 170. Now it's getting smoked. But still, they reported decent numbers, which was surprising, given you know, their whole entire new structure, and you know, they had the midterm elections, which is usually the best season for these guys, in terms of political ads and spending, and they pull a lot of this stuff. So I was expecting them to report a terrible quarter, and they still reported a great quarter. Why? Because they had pricing power. You're gonna pay a fortune, they know exactly what people think, because you tell them, I tell them, we all tell them on their site, exactly what we like, where we are, our pictures are on their site, and they can target it to the point where they know what we buy, and they're gonna give us the best offers for things that we buy, which we all want. And that's worth a fortune to people. That's worth a fortune to every company in the world who markets, which is every company in the world, unless you don't want to build your business.

And you have Google as well, doing very well. So those two FANG stocks, I bet those, you're gonna see separation, they're all selling off, but those two stocks look pretty attractive at these levels right here.

But I'm looking at this market, it's ... you know, we're trading at cheap levels, there's great stocks, that are growing fast in the overall market. Have insider buying paying dividends, that's a profile for almost every DOW component I mentioned earlier. So to end the year, and also looking ahead to 2019, I'm gonna put some exciting names in front of subscribers, I mean names that have huge upside potential, and now a much lower risk profile, after the steep selloff in the overall markets.

So when everyone's panicking, it's hard to do. It's easy to say. Things are so easy to say. Don't panic. I see so many people say, "I want Apple to come down 20% and then I'll buy it." Well Apple's now 20%, and you go to the same person, they're like, "I'm not buying Apple, the iPhone sales are slowing. And Tim Cook just said he's not gonna report unit sales anymore, how crazy is that? I don't wanna buy it."

Well, you got your wish, but it's very hard to execute on it, because your emotions are involved. Everyone is. I don't care who you are, I don't care if you're Warren Buffet or if you're just an average-

Frank Curzio: Everyone is. I don't care who you are. I don't care if you're Warren Buffett, or if you're just an average investor who bought his first stock, you have emotions involved. Of course, you do.

You think Warren Buffett's not pissed off by not seeing the massive decline? Doesn't even care about how … Even buying Apple. Appreciate, really going out of his way to market Apple more than any stock I've seen him talk about ever, and he's getting smoked, down 20%, and there's a legit reason. It's not the market. It's an iPhone company, and they're selling less iPhones.

It's something to worry about. It is a great company. It's awesome, $200-plus billion in cash on its balance sheet. But again, a lot of these stocks are down. They're trading at really good levels and you're able to buy these things with a much lower risk profile 'cause they came down a lot, they're at much cheaper valuations. And a lot of that growth is still intact, guys. Nothing has really changed. They're just a little cautious with tariffs and the rising dollar and interest rates, what Fed policy's going to be.

I get it. Believe me, these big companies, they have their whole entire structure. Listen, if the dollar goes higher, here's what we're going to have to do, here's how we could generate more money. This is where we offset those currency differentials. We have higher interest rates, here's what we need to do, here's what we want to do is structure this debt. They have that whole entire plan, their CFO's have, 50 people working in this department knowing exactly what to cut, what to do if these things plan out and how to be aggressive if they don't.

They're prepared. Why? Because they see the risk in front of them. 2008, we didn't see that risk in front of you. We didn't know the exposure, we didn't know what CDO's was worth until it was too late. We didn't know AIG, like an idiot just said, "Yeah, we'll take on the insurance for all this stuff." If they fail, then every single bank was gonna fail 'cause all the banks knew it was garbage, that's why they were insuring it through AIG. Hey, what's better than that?

Nobody knew the extent of the damage. This is different, we know. As long as they can see what's in front of you, that's why Elon Musk, that's why Tesla's higher, guys. I mean, Elon Musk went into that last car the quarter before knowing the five things that people wanted to see. They needed to see. We needed to reassure that we're not going to raise money, we're seeing production growth, the latest models. Everything's intact, employees are okay. I'm going to apologize to the analyst that I ripped apart the other …

I mean, he had five objectors, which he probably put on the screen and during the conference call he said, "Okay, let me make sure I address all five of these," and the stock went flying higher. 'cause he knew what the bearish case was on the stock because he was able to see it. Everybody talked about it and regardless of whether he's lying or not, which I think he is in some regards when I look at the accounting … Mike Alkin's been covering this amazingly.

But when you know those risks … You can tell the Street anything you want, but it's easy to adjust when you see those risks coming. So right now [inaudible 00:19:43] market I think is creating a lot of opportunities. If you subscribe to any of our products, you can get some really really cool ideas. Again, with a much lower risk profile and huge upside potential because there's a lot of names that didn't deserve to get hit on the sell-off. And they did, which is again, a fantastic opportunity for you guys.

It's not easy to go and buy. I know everyone's saying "Oh, the mark's coming down." That's gonna be the talk, I know it's gonna be the talk at Thanksgiving and stuff like that. You don't wanna talk politics and the market, but everybody does especially when families get together. Someone's also gotta piss off someone else when families get together. It's never smooth. But be a little patient here, I'll find lots of ideas for you and I'm very optimistic on the markets.

Remember, this is a normal course of the markets, we're just not used to it because we've had a bull market for eight straight years. But this is normal, to see pull-back, to see readjustments. As long as you're prepared, you're gonna do very very well and I'll make sure that you're prepared, especially if you're a subscriber. And also help you out and find those ideas I think are fantastic buying opportunities.

Now, I wanted to move on and say a final note, but this might take a little bit. I mentioned my security token offering to you guys numerous times now. I know right now you're listening going, "Oh, the security token again." So I call it Curzio Equity Owners, where you're gonna be given a chance at an equity stake in my company, Curzio Research. A significant one I might add, and also pay a dividend. Stay with me here 'cause I want you to listen to this 'cause this is extremely important, okay?

Now security tokens are unique, and most people, probably more than 99.9% have no idea what a security token is. They may think it's similar to the ICO utility tokens and you're watching the market getting crushed and Bitcoin getting crushed. It really has nothing to do with that. Truth is, I predicted that the market was gonna crash, the crypto markets, the current crypto markets was gonna crash when 90% of utility tokens trading on that market, which are over 2,000 now, are not gonna exist 12 to 18 months from now.

I've been saying this for a while. Utility tokens are not giving equity stake in underlying business. They simply provide access to a company's products, the special features on their site. I mean, they may promise that once this company starts generating earnings, you'll have the opportunity to make money holding these tokens, which is 100% bullshit. Stay with me here, please 'cause it's getting much better.

There's more than 90% of these companies that raise money, billions through ICO's in the past 12 months. They still don't have an operating site! Forget profits, they're not even generating revenue! Their sites are not even up and running yet, which is insane. And even if they are successful and sign tons of partnerships with Fortune 500 companies, it means zero to you since you don't have an equity stake in these. It's one of the biggest frauds in markets on individuals I've ever seen in my life.

But this has nothing to do with security tokens. Security tokens are going to be a lot similar to stocks where they're gonna be regulated. It is security. I'm also gonna offer you an equity stake, I'll pay you a dividend and be again, similar to stocks. I say most because I've seen some recent STO's that are raising money internationally, which is a big red flag, right? If you're really doing the right thing, then you'd raise money here. Plan on giving little to investors, especially you look at these shady real estate funds. Yeah, they're looking to raise 40 million to 100 million to buy property in hot markets and once we start generating cash flow, we'll pay it to the investor. This whole presentation again, promising to pay you that dividend once it's generating cash flow.

I mean, I won't curse you. I was gonna say "What the you-know-what," but how about instead of doing that, guys, why don't you just buy a REIT? You actually have ownership in the company, on the stock exchange. You get an immediate dividend. By immediate I mean they're paying a dividend right now within three to six months, you don't have to wait 'til these guys buy inflated properties. They're gonna take your money to buy properties, become super rich, and pay you a portion of the cash flow maybe two, three years from now?

You kidding me? That's really what you're going to invest in? Hey, buy a REIT, they have an existing portfolio of properties. I'm generating cash, I'll pay you a dividend, and you can take your money out whenever you want. I don't want this REIT anymore, I don't want this stock anymore, let me take it out. Isn't that better than doing the alternative?

There's still some shadiness going on in the industry, but there's no doubt in my mind STO's are gonna be a monster industry. It gives the opportunity for anyone to tokenize a part of their asset. A lot of assets are not liquid. If you look at real estate, art, collectibles. Certain businesses, right? I mean, investors can participate in the huge growth of these now liquid assets. And more important, they get at the very early stage. You don't have to wait 'til Ali Baba comes out with $100 million valuation, Uber with 60, 70 billion, whatever it is. It changes by 10 billion every month, valuation when most of the growth already took place.

They're coming to IPO, that's a selling event for them. That's the insider saying, "Okay, we want to get out, especially over the next few months or whatever." Some of the structure they're allowed to sell right away, which is crazy. It depends. Not so much in the U.S. markets, but in Canadian markets. That's their [inaudible 00:24:51] event to sell to you. Sometimes it works out, when Facebook went a lot higher. Ali Baba went higher originally.

But a lot of times, that IPO, there's so much growth that already took place in that company, you're not getting in at the ground floor. And this is your chance to do that. Get in at the very early stages and you don't have to worry about paying massive fees to the middlemen like investment banks, since these deals, they can be marketed depending on which regulation you choose. Reg D, 506(c), I won't get into all that crap.

But you can use numerous platforms in the Internet to sell all your offerings to the masses. Just go directly to your contacts, directly to your investors, especially if you have a company that's existing. It's not on a cocktail napkin and "This what we're gonna do. Give me $20 million." No.

Now this is the important part, this is why I told you to stay tuned and don't shut this off. 'Cause in pitching this STO deal, which I was trying to launch early December, there are a lot of moving parts. I want to make sure that we're fully compliant when the SSC regulates this industry, which they're starting to do. Not sure if you read the news lately, how many crypto companies are being shut down and fined by the SSC. Numerous reasons mostly because shady practices and things like that. You'll see a lot more of that, that regulation's coming.

I'm trying to launch this early December, may take a little bit longer. Again, we want to make sure everything is absolutely perfect with this. But it's kind of funny. Because I received several emails from listeners saying, "Hey Frank, you're marketing this deal so much. This STO, you talk about it a lot in your podcast. You talk about it all the time," which by the way my podcast, Wall Street Unplugged is an hour long. 95% of it is education material, amazing research I think that you're not really gonna see anyplace else. You could if you pay a fortune for it.

Great interviews I'm giving you with some of the leading people on Wall Street. No bias, 30, 35-minute interviews. Not 2 minutes on CNBC asking them to explain a thought and then the person doing the interview, the host is talking more than their guest and cuts 'em off every two seconds. It's not that. Getting a ton of ideas in front of you. Remember, you're getting all of this for free. And of course I'm gonna throw in a tiny bit of marketing here and there since I do run a business and by generating money through my podcast, it allows me to publish my podcast for free to the masses.

But I get it. I'm getting those emails and people sometimes complain. But, you know what? I just said I get it, but I don't think a lot of you get it of what I'm trying to do here. So I'm gonna try to explain it since this STO, security token offering, it's not about me. It's not about me making a fortune of this. I'm already rich. And guys, I'm not talking about money. You know me, I'm not arrogant that way. I don't own ten homes, a yacht, a private jet.

I'm rich because I have an awesome wife, two beautiful daughters who are amazing, my whole life. I'd do anything for, just great. I'm in my 40's, I'm running my own shop, do what I truly love. Research, analyzing stocks, helping people to become better investors. I have a lot of friends that don't have everything that good. Their kids are sick or they get fired from their job, they can't make ends meet because they live in New York. They're making $200,000, both parents, and they can't make ends meet. When they drop off the kids early to their parents' house, they pick 'em up at 7pm. They're eating dinner 7:30, they're fighting all the time.

They don't have it as good when I look at it. For me, I like it. I like my life, I love life in general. I love it 'cause it's so challenging. But in that way, I feel like I'm rich. And this STO, my lock-up here, along with every insider in the company, it's gonna be a full year after investors. So I'm not looking for a quick money grab here or what we've seen of the crypto industry. Past a billion raised for utility tokens, give me a break.

But I'm doing this because this industry, the financial industry, has taken such a huge turn for the worst over the past five years that it's disgusting. I know it's gonna sound cheesy a little bit, but this is personal to me. This is an industry I grew up in, my whole entire life talking stocks with my dad at the dinner table at six, seven, eight years old. I'm not kidding. Licking stamps, putting 'em on envelopes, folding his newsletter, stuffing it in an envelope, sealing it. Putting that postage on there, taking those bins to the Post Office when there's no Internet.

It doesn't get more personal than that. My late dad was a financial newsletter writer for 25 years. He's probably turning in his grave right now, at least over the past five years with the garbage taking place in the industry. Where this industry, the financial newsletter industry, it was supposed to be independent from Wall Street. No bias in your research, great and experienced analysts giving you incredible advice. These analysts traveling the world to find new ideas, visiting sites, talking to management teams. Using all these resources for what? To bring Wall Street to Main Street.

It's supposed to be an industry that help mom and pop investors, right? The little guys. To level the playing field and give you access that you couldn't get anywhere else. I mean people turn to the financial newsletter industry for honesty, to get away from all the crap, the BS. And right now, this industry's taking advantage of you. If you don't believe me, if you think I'm on this rant, I'm so crazy, look at the performance of any one of your newsletters which you own, which you paid more than $1,000 for over the past five years.

It's not gonna be my newsletter, just every newsletter. Most people who buy a newsletter buy like five or six. We know every statistic on everything, right? We're publishers. Just like you know every number on your business. Nobody really purchases one high-priced newsletter. It's usually retirees who have a chance to read this stuff. We know all demographics, everything, we know every number. But what's your performance? Are you losing a ton of money? 'Cause the markets have been up for eight straight years. You shouldn't be.

We started a crypto fund four months ago and we've done ... All the positions which I think are four or five are down because the market's down. But we said, "Listen, keep the positions to four-percent," it's like 15% of the entire portfolio compared to everybody else. But the whole market's down, the whole market is crashed completely. I'm talking about just general markets, like all these ideas you were sold on. Are you making money off it? Do those promises come to fruition? Did they follow through? Did you generate 10,000, 20,000% on your investment right away? I mean, that's six months that was promised.

Did it happen? Is the editor of your product that you follow, is he out in the field interviewing CEO's, management teams? Does he speak at a lot of conferences? Did you get a chance to meet him? Do these analysts ever educate you? Do they talk about their losing positions? Or do they just hype up their winners all the time? Those are the questions you should be asking yourself.

When you do a Google search, are these so-called investment gurus legends? Do they have a resume online showing every place they worked and have they been in the industry over 20 years? Because I'm not sure how you can be a legend in an industry by only working a few years in your career in a particular industry. This is something you do 20, 30 years, that's how you become a legend. You don't become a legend in five years, no. Especially during a bull market. No, I'm sorry.

But, that's what they're telling you in these promotions. Investment legends and these great analysts and gurus and ex-Warren Buffett, all this stuff. Really? You have Google, do you own research on it. Is it true? Are they taking positions in the stocks they recommend? Which is eating their own cooking. 'Cause they promise you thousands of percent gains right? In a short period. Why would they not want to own the stock themselves? Seriously. They truly believe they're amazing once-in-a-lifetime pick that you have to buy right now is going to surge 1,000% in a month … Why would they recommend it to you if they're not allowed to buy it?

If that was you, would you? "Hey, I got a great pick that's gonna make a fortune," and you give it away to all your friends, but you don't buy it yourself. Would you do that? I don't know. I mean, I think we'd all keep that pick to ourselves. Making 1,000% returns would be great for your family, right? I mean, you pay your kids' tuition, pay for a nice vacation for the family, allow you to pay off debt, whatever. The hedge fund industry, these guys, the own all the recommendations.

David Einhorn has been on a losing streak for several years and he gets crushed on several of his recommendations, he's losing his own money as well. He's not saying "This is gonna go up 10,000%, this is why you should buy it," and he's not even in it. He's not watching his stock tank by 70% and writing alerts 'cause he doesn't own it, to subscribers saying "Buy more. Add to this position." It's down 30, add to subscribers saying, "Oh. Buy more. Add to this position. It's down 30? Add to the position. It's down 50? Add to the position." They don't care. They're not even involved in a position. They're writing from like Honolulu or something. "I'm telling you, just keep buying it. Just keep buying it. It'll come back. Keep buying it."

And I know you know what I'm talking about. Hedge funds, these guys own their own stocks. You look at the financial publishing industry and what it's become, it's become the exact opposite of what it was created to do, to give sound advice without the bullshit, to be an alternative to Wall Street institutions, these boy clubs they're called, you know? Generating massive profits, putting a company's interest ahead of a client or subscribers. Because in all honesty, the financial news out of this is a hell of a lot worse than Wall Street is.

Because we have so many businesses out there in our industry, I mean, they're actually making it sound like they're deceiving you, that they're helping you, mom and pop investors, when in reality you're deceiving them. At least Wall Street firms are straight up. You know their fee structure. "Hey, if you make money, we're gonna take even more money." They disclose all this information. The financial newsletter industry, read the disclaimer. We all have them. Reports, articles, other features, products, provider for informational purposes only. Cannot be viewed as personal investment advice, and they'll say, "recommendations, analysis are based on SEC filings, all this stuff that we do, interviews, but it may contain errors and you shouldn't make an investment decision based solely on what you read here. This is your responsibility to vet."

These are the disclaimers we have, which basically mean, and again, I'm forced to have these disclaimers as well, but it gives anyone a license to come in this industry and basically say whatever they want and print something that's totally false, and you can lose a fortune because of it. And then, if you complain, we'll say, "well, it's your fault, it's your responsibility. You should know better. Too bad. And by the way, all the money, we generate it from subscriptions, we're going to keep regardless." Which is fine. "We're sorry for your loss. We'll make it up."

Even if they don't make it up, you cancel subscription, it's on to the next major market campaign to get new blood in for publishers to make a fortune, right?

That's the business right now. This is our industry. You know it. Damn straight I know it, because I live and breathe this industry. My whole life. I mean, I earned my stripes, this wasn't given to me. That wasn't nice to me. Say, "oh, you're," no, they were hard on me. Kramer was hard on me. My dad was hard on me. And I made mistakes. Kramer used to ... I made a mistake that I gave him a stock that he recommended on TV that went down, and people want to make fun of Kramer and say, "Oh, he's this, this that, or whatever." I mean, he maybe write a note and all the research is saying, "Why'd you recommend this, this and that," because he made me understand that the stocks I'm [inaudible 00:37:04], people are watching and taking initiatives on what he is saying, based on my research. That's a huge responsibility, which people just don't care.

We've got guys predicting a 50% market crash, and claiming that they've been right. You know who I'm talking about. "Oh, I told you market was going to crash." Well, the market's down, yeah, the market went up 300 and change, and it just declined 10, 15%, so it's FANG stocks. You didn't, alright. I mean, even if we decline from another 50%, you're still wrong from your original predictions, but these guys just keep throwing it at ... What you have to understand is that people are following your advice. They stand in the market for the last seven years because you predicted that the world's going to end, ATM machines aren't going to work, there's going to be riots in the street. Go buy a cave, quick, they're running out. You can get them on this site. There's a couple of caves left to buy. I mean, you gotta be kidding me. And these are guys that are living out in the country, beautiful lives, they're probably only writing their stuff. It's insane.

But that's why I'm launching a security token offer. To raise money for Curzio Research to change this industry in a way that it's favorable for investors again. And you're going to get an actual equity stake in my company. You can't do that with any newsletter company right now. Almost every newsletter company. I believe. You have the opportunity to trade that token one year after the offering as opposed to waiting, what, seven to ten years if I decide to do a traditional prior placement, since your liquidity event, as an investor, can only happen if we get acquired, or if we do a traditional IPO, which you know, on average, is around seven to ten years. No. It's a lot quicker liquidity period for you.

And by the way, by doing an STO, it seems like, "Wow, that's cool, you're going to raise money for the company," I basically remove any chance of me selling my company to anyone. At least over the next few years. Because there's going to have evaluation on it, there's going to be a lot of moving parts. And right now my company's built perfect for a larger competitor to come take us over. I know how they operate. I know exactly what they want. I know what they hate to see when they do acquire companies. They want to see a system that's ripe. They want to see your IT being tracked, all these people that are being tracked. They want to see what's original, our podcast, not too many people do podcasts, they do them or not do them, sometimes.

We have tons of original ideas, amazing content from the ... Our contacts that we have here. We're doing the podcast for ten years, interviewing some of the best guys on Wall Street. Again, I don't know who has better content, really. I know some of them do. I'm not talking about every single publisher here, guys, but most of them, I'm talking about most of them. But having original ideas, a podcast with a big following where you can talk about different analysts and interview analysts at a certain firm. We have a system right now that's perfectly set up to be bought.

By doing this, I'm shooting myself in the foot, but it means I'm going all in. And if I sold the company, I could probably come close to retiring, work part time or whatever, and I'm not doing that. I'm not. Because this is not about me. It's much bigger than that. About changing this industry, to make it more about mom and pop again. Make it more honest again. That's why I'm launching this STO. And say, "Well, by raising, how are you going to change the industry?" Well, you know, you listen to my podcasts where I interview some of the top analysts on Wall Street. Imagine having some of those analysts right there on newsletters under the Curzio Research brand. Which many have expressed interest in doing.

Newsletters like, "Which are the best Dow components to buy each year?" Which Rich [inaudible 00:40:44] talked about a couple podcasts ago on Wall Street Unplugged. Written by actual experts who have been analyzing stocks for decades. Providing a great income newsletter for retirees, and so many analysts give terrible advice when it comes to generating income or recommending income stocks. They only focus on the yield, or what's the payout ratio, and it's safe, to make sure the whole dividend is going to be paid. In the end, you're still buying a company, you're buying a business. Even if that stock pays a 5% yield, if it's not growing, it has no growth catalyst, it's not going to fall 15, 20%. It's a growth market. Makes that 5% yield kind of useless.

But here's how you generate income, and Buffet didn't get rich by buying and holding stocks, no. He leveraged himself by insurance companies. This way, he could buy some of these 10, 20 to one. That's how it got so big. But if you look at his gains, you say, "well, he bought and he held, and compounded the dividends," no. It's the capital gains. Along with that dividend. That's where you see the massive returns over time. It's not just, "Oh, I'm buying a stock that pays 5% yield." Yeah, you got your compound, it's going to go higher over 10, 20 years, yeah you can do the math and look at the calculators. But it's the capital gains along with that dividend. That's what gives you those massive, massive returns, so you have to make sure you're buying a good company that actually has growth catalysts. Which is important.

Want to create the world's greatest education site, and I'm not kidding about this. I mean, education out there is horrible. But making from novice to experts explaining in easy terms how to read balance sheets, income statements. One of the most important metrics you need to focus on, because it's different in all industries. Same store sales are huge for retailers. Subscription growth, subscriber growth is huge for social media, cable companies. You look at the oil industry, you want to look at hedges. You want to look at companies that have assets to sell, and this way they're going to use to buy back right now. There's different metrics. It's not all, "hey, let me look at the P ratio, this is cheap." But no. There's different factors that drive different stocks and different industries.

But having a great platform like that. Explaining why a company like Netflix in 2004 was one of the greatest buying opportunities, which I missed. Even though the stock was trading close to 100 times earnings. That's what they say right now, "Netflix is still too expensive." It's been expensive since the day it came public. And it's up 20000, 30000, 40000% for investors. It's not a reason why you should sell it, because their growth potential is still enormous. It's why Apple should buy Netflix right now, at 325, 350. That is the greatest platform in the world right now. One of the big things is how much money they're going to have to spend. That's not going to be an issue. But all the greatest actors are coming to that platform. They can get anybody they want on that platform. Apple could just integrate, whatever. Give iPhones for, I don't even know, but check out the subscriptions of how they overlap with iPhone users. I mean, you provide an at-cost iPhone, you get them into your network, you're controlling Netflix. You have everything on your phone for free.

You're just billing that system that echoes, but you have to actually stay on it. But that's a major growth catalyst. I mean, that removes Amazon, that removes everyone else out of the picture. There's still going to be Disney making money off it, but now with Netflix, with that kind of money, that kind of power, with the actors that … I mean, the original content, people die for that. And they have everything set up where they can produce this stuff. They have ideas, but it's costing them a lot of money now. People say, "Whoa, that 12, 13 billion in spending, for content and all that stuff." Well, that's not an issue when you have a company that has $250 billion in cash. Which'll probably cost, what, half of that, a little bit more, to buy Netflix. What was it, 420, 450, you could probably buy at 325, 350 right now. I'd buy Netflix in a heartbeat. That's a game changer for Apple. Now you're not focused on the iPhone sale all the time, which is declining and is going to continue to decline. And who knows they're going to be able to charge the prices they're charging for that going forward?

But that would be on an educational site. Now imagine all my contacts, of people I interviewed. The greatest analysts on Wall Street writing for the site. Publishing articles of their best research, after they publish on their individual sites. You might say, "Well, why would they do that?" Because these are going to be one of the biggest stock platforms in the world. They get tons of exposure. Similar to why analysts go on CNBC. Yeah, they're paid contributors. Most aren't. Or why you would talk to the Wall Street Journal about a certain industry or topic, because they're going to write about you, right? Because you're going to get all that publicity. But when you have a massive platform like that, how big is that? And it just gets bigger and bigger and bigger for you. I mean, there's more people saying, "Wow, I want to get on that site, that site's amazing. I want to tap into that audience." This is a no BS site. These are real analysts that are writing ab out stocks that are in the field, traveling, going everywhere.

But this is some of the things we're going to be able to do, to change this industry. We have access to some of the greatest traders, guys that I spoke to that would love to write a financial newsletter. They'll also publish tons of educational content to this site. Also share my resources, platforms I use to find the best stock ideas. Try to sign partnerships with these guys, so that they'll give individual investors access to so many of these research engines at steep discounts. But having that on one platform, education, making investors learn more, better. Bring on more editors that love to do podcasts, like Alkin. That's one of the greatest outlets in the world, because it allows you, individual investors, to get to know the editor. The personal life, how he does his research. The fact that he's doing a free podcast shows that he gives a shit about you, right? I mean, he cares or he wouldn't do it. You're not just getting a random email from a crazy promotion that's promising you the world, and financial freedom in three years by buying these five stocks. Just in an email.

Hey, my podcast allowed me to launch Curzio Research, generate millions in sales over the first two years, because I have a loyal following. It'll have more newsletters, being written by true stock experts, people in the field. Analysts that can invest in their own ideas alongside you. Which is cool. Having real boots on the ground analysis. It's going to be in the field with ... you'll see our analysts at these sites, in labs, sampling products. Hell, I'm getting shot by a gun next week. I'm not kidding. I'm getting shot next week. From a company that I believe has enormous upside potential, I'm hoping, if everything goes well. And Curzio Venture Opportunities subscribers know exactly the company I'm talking about. I recommend that stock from a few weeks ago. I'm not kidding. I'm going to get shot by their new product. Lifetime members, don't worry, it's non-lethal. Sure, it's going to hurt a little bit, but I'm also going to sit down. I'm bringing a video crew with me. I'm going to be doing interviews with the CEO, management team, a few famous people that are involved with this company.

And this is the research you deserve. I mean, it's the research you pay a lot of money to get access to. This is the way the industry is supposed to be. Quality research, original content, boots on the ground, education. And having the chance to bring everyone together. Having an investor conference with my favorite companies attending. List of A-rated analysts and guest who I know for 10, 20 years, who would love to speak at this event. Give you access to all of these people, where they're going to be sitting down, eating dinner with you, playing golf with you. Getting to know you, since you're a client. That's the way it's supposed to be. You're talking to a guy that you never saw in a conference, you have no idea based on the email he sent you on an idea that you thought was pretty compelling. That you're never really going to hear from again until he wants to sell you something else. That's the reason why I'm launching my STO. To make this industry the way it used to be.

An independent source you could turn to that gives you honest opinions, no bullshit. An industry that's supposed to bring Wall Street to Main Street, give you the same access as everyone else out there. Industry's about educating individual investors. An industry that puts you first. It's for all the people out there asking me why I'm launching an STO, there it is. That's why. It's a personal mission for me, and something I'm not going to stop until we see change in this once incredible industry.

So guys, if you're interested in learning more about our STO, getting equity stake in Curzio Research, email me, frankcurzioresearch.com is frankcurzioresearch.com, if not, no worries. But hopefully I answer some of your questions of the reason why I'm actually doing this. So, wanted to keep this simple, because it's kind of a holiday, and again, I'm hoping none of you are listening to this right now, just enjoying sleeping after Thanksgiving or whatever. But I really do hope that you had a wonderful holiday with your families, and spend time with them. And do me a favor, enjoy the rest of the weekend, and guys, I'm here for you. I'll see you in seven days. Take care.

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