

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 Main Street.

Frank Curzio: How's it going out there? It's Friday, January 4th. I'm Frank Curzio, host of the Frankly Speaking podcast, where I answer all of your questions. Stocks, economy, sports, anything else you wanna throw at me. I created this podcast to answer more of your questions that you would send me to my Wall Street Unplugged podcast which I host every Wednesday. If you want any questions answered, just send the email at Frank@CurzioResearch.com, that's Frank@CurzioResearch.com. Be sure to put Frankly Speaking in the headline. You never know. Your question may be the one I read on this podcast. Man, what a crazy market.

So we open the year just like we closed it. Huge volatility. Latest bombshell coming from Apple which I'm going to cover in a minute, along with a lot of important topics and you know what? Let's just get right into it. Let's start with a question from Jake. Jake asked, "Frank, are you attending the Consumer Electronics show this year? And if so, will you be doing live videos on Facebook again? I really enjoyed the inside scoop and new ideas you always provide." Jake, I'm leaving on Monday morning, 6:00 am to head to Vegas 'cause I love attending CES. I attend every year. Over 4000 companies, 2.5 million square feet of space, crazy stuff. This year's going to be interesting after Apple's big warning. Very interesting. Apple doesn't attend this conference. Almost every other technology company in the world does. 4000, you just get ... I mean tons, tons. It's incredible. If you haven't

attended, definitely do it once. You'll enjoy it. They have things there for anyone, husbands, wives, whatever. Just millions of things to do there. It gets overwhelming but it's definitely cool, worth it to attend. But a lot of these companies base their sales on Apple or they talk about Apple.

It's amazing 'cause Apple's not there but everybody ... Hey, if you use your Apple iPhone, you can use your app and you have all the smart home devices and everything get plugged in and all the headphones and all. But it revolves around Apple, it's kind of amazing. So you're going to hear a lot of buzz, a lot of inside scoops on what's going on. Every year, I attend this event 'cause you always find great ideas for subscribers. Just I love meeting up with real smart people and I kind of have a network there now. These people always share great ideas with me. So it's a lot of fun. I take these executive tours. But I have to tell you, when it comes to this year, man, I'm so tired. I mean, worked 15-hour plus days through the holidays to get my security token offering ready to launch, which I'll talk about in a minute. Getting a lot of questions on it. I mentioned a lot on Wednesday and it's a few weeks away from launching but I have to attend CES. It's just a really great conference. For me, I've always come back and find just new ideas.

It's not necessarily covering the big names, but there's so many little companies. You know the ins and outs, you know the right people to talk to, the right companies to go to. I talk to the right insiders who've been doing tours at these events. Guys, you need to take a tour. I mean, it is a lot of money but if you really want to find stock ideas, it's worth it 'cause you'll spend a thousand dollars and it's something that can generate ten times that amount because they tell you which companies just got in late and those are the ones that really have really new products that just launched. They'll tell you to go to Eureka Park which is where all the startups are. If not, thousands, hundreds of them. They have just at the Sands, it's at a totally different hotel than the conference center. I think it's five or six hotels now that they have. That's how many companies. It's just so much going on, private parties, lots ... Yeah, everything's kind of expensive

though but it's really cool and for me, just having that inside scoop and being able to talk to the right people, I always come back finding good ideas.

I want to say something before I go on about the CES guys because I know the markets suck right now. I know you're like, "I don't want to look at my portfolio and I just don't care and the market's getting crushed." I get it. Every one of our situations, I think except for one, was up one of our newsletters and most of them are down now. I mean, we got in too early and yes, we'll take a little bit of losses here and there. We have stops set out so we're limiting our losses with the market coming down tremendously. Even big names are down 30% plus right now, industry leaders. It's a shitty market. But this is the time to step up to the plate. Time to do your homework. I know it's not easy, right, because it's always easy when things are going good. Let me just buy whatever and things go higher. Right now, it's a time to take advantage of everything that's going on. I mean, the CES, largest tech conference is this week. JP Morgan healthcare conference. One of the largest this month. Vancouver Resource Investment Conference this month that I'm going to be attending and speaking at. I think that's the 20th, 21st.

So you see a lot of news that's going to be released. All these companies are presenting and you know what? You're coming off the holiday season, you're tired and people are just like, "Ugh, the market's coming down. This is your chance to find new ideas. This is when I work the hardest to find new ideas for my subscribers, for my listeners and everything because there's so much going on and I just feel like most people out there, and I don't blame them, you've just come off the holidays and you're tired. It doesn't help that the markets are down. But you're going to find not just good ideas but you're going to get them at amazing prices. Even good names are down 20, 25%. We're close to a bottom here. We're close. When you see the market trading at 14 times forward earnings, it's levels that you don't see. When you're seeing Apple, a major part of all these ETFs, indices and you're seeing this stock down 40% now from

its highs in just, what, four months? It's not a terrible thing. It's a terrible thing if you own it. I get it. It's Warren Buffett's top holding.

We all get it wrong guys, sometimes, all of us. That's why I cover my losers. We all do. You're going to learn the most from your losers much more than you learn from your winners. But step up to the plate, start following companies. Biotech names are going to be making major announcements at the JP Morgan healthcare conference. You're going to see lots of news. CES technology companies. CES, what it is, I know a lot of you've heard of it, but what it is ... All the companies that attend are basically showcasing their products that they're going to launch in 2019. Not products that they already launched but a lot of things that are there aren't even for sale yet. They're all prototypes and you get to look at them and try them out. It's funny 'cause the last day sometimes they give away a lot of this stuff on Friday. For me, another thing that's good about the CES is I have a media badge because it's all your fault because you guys like listening to this podcast and it got all the way up the ratings so now, we have a certain amount of listeners where we get a media badge and I go there Monday which is only available to media and you get to talk to a lot of insiders and you get just exclusive access to a lot of stuff.

That helps right because it's all about time and every minute is accounted for. You don't really have to wait out in lines to sample things, to try things and talk to people 'cause they see the media badge and yeah, they think you're going to write about them, tweet about them. So it's just a really cool conference, but guys, there's a lot going on in January. I'm going to be all over the place and it's going to be nuts. But this is your time to really find those great ideas and a lot of them are down 20, 30, 40% from their highs only because a particular sector was down at their end or whatever. I mean, all of these companies reported good earnings, were still growing earning pretty fast. Sales are still growing. There's no signs of a recession. Yes, I know global and I know China's terrible. I get it, I understand. But overall, it's not a recession.

It's not terrible. It's just slowing down but we're trading as if we're definitely going into a recession soon. I gotta tell you something. I wrote a whole issue talking about the Fed and how it's crazy and it's just ... What they're doing right now is unprecedented.

I mean, you rarely see them raising rates in the face of ... Inflation's coming down right now. A market that, I mean, the risks are out there. You're seeing slowdowns everywhere. It's very rarely. I mean, we usually see a bottom in the market when they stop raising rates and the fact that they said they're going to raise rates into 2019, I don't think that's going to happen. So if you have a Fed that's going to say, "You know what? We're going to wait", and we had one of the Fed governors come out from Dallas, saying, "We gotta hold off", and you're going to see that sentiment 'cause if they're looking at the data, they have to stop raising rates. There's no inflation. Inflation numbers have come down tremendously. So you're looking at that catalyst, we're pretty close to bottom. I know you're probably like, "Oh, that's crazy! The market's going to go down further." When it keeps going up, up, up and higher, you think it's going to go a lot higher. When it goes lower and lower, you think it's going to go lower. Look, based on the data, what you're looking at, we're still extremely at oversold levels and there's just a lot of good names out there trading below ten times earnings.

When do you get to buy industry leaders growing earnings more than 10, 15%, growing sales 7, 8, 9, 10%, paying a 2, 3% yield, trading below ten times earnings? I screen for stocks every month. Since the credit crisis, I haven't seen opportunities like this. Could it come down? Yes, it could come down. I'm not telling you take everything and go all in but we're pretty close to a bottom here. Things that push us down with the trade wars, good news on that front. I said it for the past couple of months that China's gonna have no choice 'cause they're gonna go into a depression which we're seeing now, right? They were in a recession in so many different areas. Worst auto sales, what was it, in decades. 60, 70 years or something. It's getting worse

and we're seeing it get bad for us as well with the slowdown, so that's something they're going to come to terms with and say, "Okay, let's figure this out." Get this trade war nonsense out, right? That's one of the things that's uncertain. And you're looking at the Fed and the Fed is gonna ... They may raise one more time but outside of that, I don't see two rate but they're gonna stop in 2019.

When they do, it's gonna be a good [inaudible 00:10:34] for the market where it's gonna bottom and you'll probably it ... We'll bottom within the next three to six months. We can come down a little bit more, whatever, but just based on the fundamentals, what we're looking at and the things that push us down, those things are probably not going to exist, or those risks a couple of months from now. So start looking at those ideas. Getting back to the CES, I'll be there the whole week. Lots of fun, it'll be really great. You're asking me if I'm going to post on Facebook, it's going to be mostly on Twitter, so I'm going to do live feeds on Twitter. My handle's @FrankCurzio. I'll be giving you live updates and reports and stuff like that and it's really cool, it's exciting, it's not boring. I make it fun. I'm gonna say a lot of stupid stuff, I'm going to be in the middle of things, sneaking in different areas. Hopefully I get kicked out. Whatever it is, but I just have a lot of fun there and again, we're going to have some really good access that you're not really going to get at too many other places.

That leads to new ideas and some of those ideas I will be sharing on my Twitter feed. So make sure you look and looking forward to CES like always. It should be a lot of fun. Next question is from Justin. Goes, "Hey Frank, thank you for saving me money. I was about to buy Apple two weeks ago but read your piece on your website about waiting until at least another quarter since estimates are still way too high. So you know it's coming. Should we buy Apple now after the big selloff on Thursday?" It was funny because somebody asked me about that and I think I ... It might've been last week or the week before but it was the 20th that I wrote that piece, on December 20th and it was a good piece and I titled it, it's on the website.

I also talked about it too. I think it was the Frankly Speaking podcast where I did talk about it. So I think it might've been last week or the week before but I said, "Don't buy Apple until you see this happen first." Basically, I covered it and said, "Look, it's nothing personal. I have my own podcast that gets featured on Apple but the biggest mistake people make is they think because a company has a great product that they should buy it at any price."

I used an example time where, listen, I like to eat a Snickers bar, doesn't mean I'm gonna pay \$5 for it. That's one of the biggest mistakes I see investors make. Now the reason why I wrote this piece is when I was watching CNBC and I like to watch CNBC and read the blogs because that's the sentiment. That's what you know is out there and I'm seeing all these analysts saying, "Estimates have come down way too far. Estimates have come down way too far." That's why I wrote this piece 'cause estimates did not come down enough. I mean, they lowered unit sales, they lowered revenue a little bit, earnings a little bit but they kept their target prices in place. The average target price on Apple was 220. It was 30% higher on December 20th than what the company should. 30%. So everyone's like expectations are low. No, expectations were still sky high for the company. Everyone was like, "Well, it's a good buying opportunity. It's down 25, 30%. It's great-" ... But when you really look under the hood which I did, EBITA is growing at 3%, much slower than the overall market. Sales are growing like 4% year over year, slower than the market.

You're looking at over 40 analysts, sale side analysts covering this stock. Not one has a sell rating. That's not telling me the expectations are low. It means that expectations were high. So, what I said is, "Hey, don't short the stock but wait 'til next quarter until the report and if they report good numbers, you'll miss the first 5% move higher but at least you know the stock went bottom." That was my thesis. I also talked about innovation and that was how the lack of innovation. My wife has the newest phone, I don't like it. She doesn't like it. I hear that from a lot of people where their business model just

doesn't ... Look, I covered growth models my entire life and in this world that we live in, it's quarterly earnings, you gotta grow, grow, grow all the time, all the time, all the time, all the time. Companies can't do that all the time. So you're forced to go into a business model where it's more short-term oriented sometimes and for Apple to have this business model and make it work where you're able to, again, sell a great product that's innovative every two years when they first started, then it was every 18 months then every year you were selling one and now you're shoving three phones down your throat.

The last two years, no real innovation in these phones. Nothing exciting about them. Kind of similar but you're raising prices tremendously on these products. So something like this was bound to happen because Apple is an iPhone company, forget about services, forget about everything that Tim Cook said today. On CNBC in his letter to his employees which was any place. You can go on Google and find it. There's not much he could right now. There's not much he could do. I mean, you say, "Well, it's because of China. We didn't really expect that." I don't know why you didn't expect. Maybe it was bigger than expected but I covered some of the China things. I mean with Qualcomm patents and they stopped selling certain versions of the iPhones. I mean, what did you think was gonna happen? With that said, we're close. I mean, it's close to being a buy. I mean, you can't mess around with momentum, you're going to get run over by a train, okay? A freight train, just get run over completely. And the trend is obviously down but when I look at Apple now, they announced that they were going to buy \$100 billion of their stock back when the market- ... I guess the stock was like 215, 220, whatever it was. I think it went as high as 230.

The market cap was 1.1 trillion and it's funny because when it was 220, everyone had a target of 275. There was a couple, I think, \$300 targets which I think are very interesting. Now, the market cap's under 700 billion. Now what does that mean? Well, if you're buying back \$100 billion worth of stock at 1.1 billion, it's around 9%. That's big. 9% of the market cap. Now

it's more like 15% of the market cap. Buffett's largest holding. You know he's probably gonna go and buy, right? So trading at 9 times forward earnings, generate tens of billions in free cash. We're close. I mean, I think it's worth taking a quarter position here and again, if you're going to buy Apple first of all, you want to do it as a trade. Buy it because you have a three year time frame. So if you buy it here three years from now, it's gonna be higher than where it is right now. It's the price. Don't hate the company, hate the price. If you could learn anything from me, that's the bigger deal 'cause do not ... I don't hate Apple, I just hated where the stock was trading.

Now it's getting very attractive, or I even thought it was a little bit attractive but I wanted to see more evidence and everyone was saying, "Whoa, expectations are low." No, they were high. Now they're kind of low. I mean, it's interesting that 40 freaking analysts cover this stock and not one of them had a sell rating. Not one. So if you think that there's no bias when it comes to investment firms or investment banking, you're out of your mind. Really? There's not one person that thought Ap- ... And listen, I'm not talking about the market. The market came down. This isn't an economic thing and a macro and everything came down. I mean, this is company-specific. This is a company that's, based on their estimates, was growing sales, EBITA, much slower than the overall market and there's not one person that had a sell rating on it. So when I look at Apple, they'll fix it. I don't know if it's gonna be as quick but when you see the biggest company in the world, the industry leader, the benchmark, whatever you want to call it ... When you see a company like that fall 40% and they're still generating lots of free cash, lots of money, trading at a discount to the overall markets now, 20, 25% discount to the overall markets, it is very attractive.

But again, you've got to look at technicals. It's probably going to come down. People hate it, they're revising their estimates. Finally these analysts will probably get it right but we're getting pretty close. We are, when it comes to Apple. But for me it's just amazing how not one analyst, right? I mean, look, you

look at a company that has how much in debt? They have 130 billion net cash. They do have a big debt position but you don't want to have a sell rating on Apple, right? I mean, these are businesses at the end of the day and they want to generate fees and it's very stupid for you to have a sell rating on a company that can make your year if you're doing business with them or they decide to choose you to do whatever it is, whatever offering that they're doing. Take it for what it's worth, that's what it is. People say, "Oh, there's no buys. We keep things separate." Yeah right. I mean, come on. It just has to be one guy that has a different opinion, just one out of all those analysts. None of them did. None of them had a sell rating and I think there's maybe one or two now and those are from investment firm, Joe Shack or something, whatever.

It's not even anything major. It's not even the top 40 or something. So anyway, getting very, very close. If you're a long-term holder, it might make sense to take a small position. If you're looking at a trade, definitely wait. You might a little bit more downside. Again, I don't have my crystal ball what it's going to do. I just know that it's cheap here and if you have a three-year time frame, when you have a company that's going to buy \$100 billion worth of their stock, 50% of the market cap, you're going to have Warren Buffett in there buying like crazy as well, more billions of dollars. Expectations are low. They have a number that's going to be a lot easier to beat in coming quarters and we are pretty close to the bottom in Apple.

Moving on. Last question here and it is from Charles. Charles says, "Frank, when are you launching your digital token offering? Can you share the details and can foreign investors invest in it? Thank you so much", says Charles from New Zealand. I have a lot of New Zealand people that listen to this. Kind of weird. Chris Macintosh from New Zealand too. I don't know. Gotta make my way out there one day, crazy guys. Anyway, Charles, I mentioned earlier that I worked tirelessly through the holidays. I mean actually, not even over the holidays but over the past four or five months to really get this deal in place for everyone. As you know 'cause I always mention

and joke around and stuff like that but I'm a family guy. Love my wife, love my daughters. I love spending time with them but I haven't been spending much time with them lately because I've been working so hard and it's cool that they understand why I'm working so hard and in the middle of the day, I'll just go there 'cause my office is close to my house and say hello and try to hang out with them a little bit.

But it's actually the hardest that I've ever worked in my life because you don't get a lot of opportunities, if any, in life to be a disruptor, to have an idea that you truly believe in that could change the world. An idea where, think about it, it's pretty close ... We're gonna be one of the first to market. I mean seriously, all of you out there are listening to this. Can you say that right now? Can you say, "Well, I was the first to market with this?" Not that first to market ... It's not that you're automatic. I mean, what is it? Altavista was first to market. Myspace was first to market. Doesn't mean that you have ... Blackberry was first to market. They're still around 'cause they changed their business model. They focus on making nice little software systems for cars now but again, they had their phone and they just got destroyed by Apple. So invented basically the first smart phone. But you don't have that opportunity a lot. I mean, I never had that opportunity in my life. I worked for a lot of firms, lot of different things but when you have an opportunity that you see that you really believe in like this, you take it.

If it doesn't work, which is possible, I think unlikely because as you're going to see in a little bit, this trend is not coming, it's here. It's now, it's right now and it's incredible. But even if it doesn't work out, it's not going to be because I didn't bust my ass or give it everything I got because that's how I feel about this. So to answer your question, since I did work a ton over the holidays, yes I do have the details in place since we're launching this in just a few weeks from now. I did share some of the details on Wall Street Unplugged on Wednesday and here's the rest of them. So the name of our token's going to be called Curzio Equity Owners. The symbol is CEO. It's a security token, it's not a utility token which ... Good luck with those.

We're going to come out at a price of \$5 which is going to be 12 months from now, that's in the laws. It's ERC20 compliant token. The soft cap is 3 million. That means EPI rate's less than that then we're going to give the money back. It's not going to be worth it to us because it's going to be a lot of regulation. We want to make sure that it's definitely worth it and our hard cap what we're looking to raise the most is \$12 million.

There's going to be sale period. We're probably going to launch it this month. That's what it's looking. A couple weeks and it's going to be a two-month sale period. The payment methods are going to be Ethereum, bitcoin, euros and US dollars. US dollars is really cool because not a lot of offerings, especially in the ISO market. Most of that was crypto so this is going to come with wire instructions and we're going to deliver the token to you. Again, you got a year where it's not going to trade at all. Again, that's the laws. That's what's out there. You have to be an accredited investor and the minimum is \$25000. Again, this is the way it has to be. This isn't a boys club and say, "Oh well, this is only for the rich elite." No, this is the way it has to be structured right now. Okay, it has to be accredited investors. It takes a lot of regulation off the table which is great. You gotta have that holding period for 12 months so even if you subscribe to it, we'll probably give you the tokens nine months from now. We could give it to you right away if we want but I don't want you to lose the tokens and I know we're using Securitize, the best platform so we're not going to lose tokens.

I'd rather give them to you and say, "Okay guys, here. Three months from now, get ready to trade them." Again, a 12-month lockup period. So when I say a 12-month lockup period, that's your liquidity period or your chance to sell the token if you want. If you want. I mean, I'm hoping that we have long-term holders. If you want, do whatever you want. That's up to you, it's your money. But having that lockup period just 12 months away compared to if we did a traditional private placement. The average lockup period is seven to ten years. So if you invest it and give me 25 grand, it's locked up for seven to ten years unless I get acquired or I come out with an IPO on an exchange

and the average period that happens is seven to ten years. This is 12 months. It's going to be open to US investors and yes Charles, also to foreign investors through our [inaudible 00:25:44] offering. Everyone who subscribes to this, who comes in are going to go through a KYC know your customer and an AML check. Very important to understand that because what that does is it's just checking your credibility to make sure that you're not a messed person and you're not illegal and stuff like that just like if you sign up to a brokerage account, what do you have to do? Social security number.

When you do this, now IRS, everything else, this is the way the market needs to be. Why is it so important. Because there's going to be over a dozen exchanges strictly for security token which are now called digital tokens that are going to be launched and they're just going to trade these, including Coinbase. Coinbase has a \$8 billion valuation. They just trade the top five but they just took over companies. That's why they have the licenses to start trading STOs. T-Zero is coming out soon as well which is ... These are going to be fully regulated by the SEC which is important. This way you know your money is safe. You know your money's guaranteed. No one's going to steal your money. Having these checks are important because when you ... Or hopefully you didn't get into utility tokens, the only obligation was to give you a token. That's it. You don't have no idea what they did with the money. They kept it in crypto, crypto crashed so they raised 10 million, now it's 2 million. You had to pay tax. Whatever, they're not going to be able to register with the SEC and turn their token into security tokens because they didn't go through the KYC AML checks.

They didn't make sure that every investor had that, which is important because they don't know if they're criminals. They don't know if they're laundering money and for us, having all this in place is going to allow us to easily go on big platforms like a Coinbase because ... Or T-Zero because when you have this or say if you don't have these checks, you have to go through them. Then it's a whole bunch of documentation. Giving all your information on all your token holders. They

gotta go through one by one. We have all this set and it reduces ... On a scale of one to ten being how difficult to list and all the paperwork, it's like a one for us. So you're not going to have to have a picture of your license but this is for you. This way everything is safe, okay? So it's a little bit extra compared to a prior place but it's going to be easier. We're going to do everything in DocuSign compared to if you invest in traditional private placement guys like I have done in the past and shared with some of my Curzio Venture Opportunity subscribers, you get 45 pages. You have to sign seven or eight of them and figure it out.

This is going to be a lot easier in terms of that process but it's going to be DocuSign. You're going to have to take a picture of your license and then as you sign up, they automatically put you through these checks. 99% of the time, it's perfectly fine because the person who's really f'd up is not going to sign up for something like this. You ever see those convicts on those shows where they send them packages from FedEx and say, "Hey, you got your free package." And then they show up and it's a whole scam and they arrest the guy? Yeah, you're going to know ... You're not going to sign up for something like this if you're doing the wrong thing. But these are the checks you need to have because of how messed up the industry was with the ICO industry which has nothing to do with security tokens. So Charles, yes it's going to be open to foreign investors. You're going to have KYC AML checks. Again, it's going to verify that you're not a criminal and allow us to easily list our tokens on exchanges. We're going to have guaranteed liquidity even if we don't go on exchanges through a company called BankCorp because we use Securitize. So all this stuff behind the scenes guys.

I mean, it really is incredible the work that's required and how difficult it is to get to this point. That's why we have so many people coming to us, asking us questions like, "Wow, the security token thing is awesome. This sounds really cool. How could I start one? What do I need?" We know the whole entire process and man, I'm tired. But I know it, which is pretty cool.

Now, investors coming into our offering, and this is where it gets really cool, you're going to get a direct equity stake in Curzio Research where we're selling 25% of our company after the full amount is raised which is 12 million. We intend to pay an annual fixed dividend of 3% which is going to be paid quarterly and this includes during the 12 month lockup period. So I mean, what's the yield on the ESP 500 is 1.9, I think? I think 1.8, something like that? We're paying a 3% yield. I can't say guarantee, we're not allowed. I have to say we intend but we intend on paying that dividend for our first three years which is pretty cool and paying it quarterly. Why? Because you're going to have an equity stake, you're going to have a dividend and that's going to have a lot of people investing as they want to hold long-term.

The price of our token, which is coming out at 5 bucks is going to be based on how our company does, how we're doing, how we're progressing. If you're going to look at our white paper which is almost done and we have our securities agreement just about finished. Again, we're just weeks away, you're going to see how big the financial publishing is and how big it can be if you know the formula, if you know what you're doing which we do because we all have a lot of experience working for some of the biggest players out there who were very successful and we think we could do it a lot better. I know we could do it better and we've been doing it better. And when you see the actual numbers, how they're generating 50, 75 times the sales that we're generating even though we generated more than \$6 million in our first two years which are pretty good numbers, it's nothing compared to what our biggest competitors. They don't have anything proprietary. They don't have anything special. It's just a matter of understanding the business now, which we do, tweaking it to our benefit, having our podcast, having things like this where people get attached so that they understand us.

They're listening to somebody and not just getting a random email with a hype promotion and it's been working. Our numbers are incredible because we have a very, very small list.

That's what we're raising the money for. We're going to build our list, get more people to learn about our brand, sell them some subscription to the newsletters that you guys want, using that massive network to have some of the best writers, some of the best analysts write for you. Again, make this business ... Man, I feel like Donald Trump. Make it great again, but look, people used to turn to this industry for honesty. They used to say, "All right, we hate Wall Street." The investment newsletter business, I mean, this industry's worse than Wall Street now. They don't care about the customer. It's about meeting their numbers. So many people go to conferences. I hear from everybody, I see newsletters, I know what they're doing and they're destroying people and it's sad. It's sad because it's okay if you have a bad streak. It's okay if you have bad losers. A lot of these, they don't even know what's in their portfolio. It's insane what's going on in this business and we want to change that because in all my life, in 25 years of analyzing companies, I've never seen a company succeed that doesn't treat their customers well.

That's opening the door for people like us to really take a ton of market share and we're going all in and that's why we're launching this. Now, it gets better because while it's not including a token structure, every participant in this offering is going to get a free membership to all of our products, all of our newsletters. Curzio Venture Opportunities, Curzio Research Advisory, All-Star Portfolio, Money Flow Trader, Crypto Intelligence. It's almost every newsletter that we offer in the future but there are tiers where, if you invest \$25000, you get all of that for free for two years. If it's \$50000, it's for five years. If you invest \$100000, you get all of our research for life, forever. And there's no maintenance fees on any of those subscriptions. Think about that for a second because I know a lot of you are subscribers to other newsletters which is cool and they have these big packages where you invest in everything. Those packages alone, I've seen 25000. Around 20000 to 40000 that I've seen them. So basically, you're getting this package which not only that which we could definitely sell that package

for 20–25000 alone, you're getting equity stake in our company and we intend, I have to say intend, my lawyer told, we intend to paying a 3% yield for the first year and intend on paying that yearly for three years.

Now the best part of this deal, I think, is you're going to get access to our Crypto Intelligence newsletter. Now, this is a newsletter we launched six months ago and we realized right away that ... I was looking at 500, 600, 700 white papers that this whole entire industry is worthless, the utility industry. We've been saying that the last three months and that's when we discovered security tokens and really started getting into this industry. Guys look, just be patient. It's great. We haven't recommended anything. I think we're working on one thing in our crypto newsletter over the past three issues. So look, you may hate that. It's my job to do that. It's my job. If I see shit out there, I'm not going to keep recommending things and make you lose your money. I'm not going to do it. I'd rather you cancel your subscription. So for us, we're really positioned because the reason why I love this newsletter and why it's such a big deal because if you're coming into the offering, you're going to be an accredited investor. We are seeing so many people, so many deals, people are coming to us.

They're asking us tons of questions. They want to launch their own security token and we have access and being in this industry and learning as much as we learned over the past six months, I'll tell you. Holy cow. That we know that not a lot of people know about this industry yet and it's hard to really get to the point we're at. It really, really is hard. It's difficult. You could do it but it's really difficult and it required me not seeing my family for a while, my kids and stuff like that and I had to sacrifice. I'm hoping that's going to be worth it and I'm going to make it worth it to them, make it up to them. Again, this is a once in a lifetime opportunity. I explained that to them before I decided to launch this thing and everybody was cool with it, but that's the kind of commitment it takes. But the fact that we're getting so many people come in now and ask us about this and say, "Wow, we want to launch." I'm not talking about \$5, \$10

million. I'm talking about guys looking to raise hundreds of millions of dollars through their businesses that are established.

If you look at the utility tokens, they have a little timeline and it's funny 'cause they're like, "We're going to raise money" and they take that money and they have reserves. All reserves are 5%, the rest is yours. We see reserves of 25%, then we have team members of another 10% so they're keeping most of these tokens when they're launching these utilities and you're looking at the deal structures on them and it's incredible. I mean, these guys could sell like six months later and you're looking at that timeline and it says, "We're going to use this money to develop our token." Our token's already developed. We're not taking that from you. I paid out of my pocket to go with Securitize, the best platform. So we're not taking the proceeds if we raise \$12 million. We're not taking money and saying, "Oh we have to create a token now." They have a timeline. We're going to do this, do this. Those timelines, maybe two percent of them people met those timelines. Maybe two percent. Do you see any ICOs or companies that are actually generating money right now over anything launched over the past 18 months?

In the heart of this market, ICOs, utility token? Have you seen them generate revenue yet? Have you invested in this and collected a dividend off or anything? How many? Maybe one, two, three companies in over 2000. So with us, we're seeing actual companies that are generating revenue. It's going to give you an opportunity because we're going to get first looks at a lot of security token offerings and what does that mean? Well, those security token offerings usually come with pre-sale discounts and having this knowledge and having our network which is building by the day, not even by the week, it's going to give us access and if you're not an accredited investor, it's okay because you can get into whatever you invest in ... Recommend a lot of security token. Just the offerings you have to be accredited investors. So with this newsletter, it's something that we're very, very, very excited about it in terms of ... I mean, I gotta tell you, I think it's going to be one of our biggest newsletters if not the biggest newsletter based on total

subscribers and revenue 'cause we're really going to own this industry.

I'm excited about it and in fact, so many companies are coming to us. It gives me an opportunity to share these ideas with you through this newsletter. So that's one of the things, the hidden benefits where you're getting access to all these products. That's going to be worth it itself. That's a cool feature for you guys and I'm looking forward to really finding a lot of great ideas with some really exciting stuff. I'm going to tell you something. Look, I've been going over the STO, I've been talking about it. Some people probably are bored of it. We're getting tons of emails of people excited about it. Again, we're launching this thing. But do me a favor guys. I don't care if you get into my offering. I don't care if you do anything with us or not, but just start learning about this industry. I've been doing this for over 25 years. This is it. This is one of the most disruptive trends I've seen since the internet. It's saying a lot for people who have listened to me for over two decades. I covered Shell Oil early on, cloud early on, big data. Again, going to the Consumer Electronics show for the past, I think it's going to be seven or eight years in a row. AI, immunotherapy.

You guys can read all the issues backdated when I worked at Stansbury. And all this gene editing. Those are nothing, nothing compared to what we're going to see because you're looking at a trend where it's secular but tons of companies are going to be coming up with new ideas. We're talking about trillions of assets, hundreds of trillions of assets that can be tokenized. What does that mean? Because when I'm starting to research this industry and going over the pap- ... The last couple of months have been incredible because I've been talking about this industry. It's not happening. It's here now. It's not like wow this could be really ... No, it's here. If you look at Coinbase and this is a couple of months ago, acquired several SEC regulated entities to help it enable security token trading, [inaudible 00:39:42] token trading, but listen. You're looking at the past couple of months. I mean, I told you guys about Securitize, one of our partners. Received \$13 million from

Coinbase Ventures, Blockchain Capital, Ripple. Prometheus raised \$12 million to build an SEC compliant security token exchange. Again, another one that's being launched of over a dozen.

But listen to this guys, which is pretty cool okay? So I don't know if you heard about Andy Warhol and his painting where it was a \$5 million painting and 31% was tokenized? So I don't know if you heard about the movie coin smart fund where the biggest producers creating a security token where you could finance movies, average investors? But listen to this: DX Exchange is a European regulated crypto exchange. It's going to allow users to purchase tokenized shares of tech companies that are trading on the NASDAQ. Amazon, Netflix, Tesla. Think about that for a minute because that might not sound like a big idea or a big deal at all. You're talking about if this is ... They're supposed to launch this in the next couple of days. If you're able to use these tokens to buy these ... These are 24 hour exchanges. Apple just warned ... So if you own Apple, say if you put 10 grand into Apple. Whatever, five grand, whatever. Pick your number. A thousand dollars. So if you put \$10000, say you put \$5000 in a regular exchange and then you bought these token and did it on an exchange where you bought Apple through the DX exchange.

Again, it's a European exchange. Just say. Apple comes out and warns, right? That was Wednesday night. Halted, came out, the stock started to get crushed. You could sell on the 24 hour exchange before the market opens here at 9:30. That's pretty freaking interesting. Or what about, just announced, again from one of our contacts in the industry. This is public information. I don't know the company, but it's a NASDAQ listed biotech company, been listed on NASDAQ for 10 years, \$250 million market cap. This is really interesting, right? 'Cause they're on the NASDAQ. They just raised money through a security token offering to fund the development of one of its most promising cancer drugs. So they're trading on the NASDAQ but they raise money where you're going to get an equity stake, not in the company, but in this specific drug. How amazing is that?

So you're looking at all these assets that are liquid, right? Think about your house. There's \$6 trillion tied up in home equity, in your house. Imagine you're able to tap that, which I don't know if you can, but in two weeks, I'm gonna have a guy on that has an idea of how to do it and I'm interested to hear. I have no idea how you're going to do it. But this is the mark- ... It's like the internet when it first came out. Remember dial-up was great. Holy cow. Wow, you have GPS. That's pretty cool. All these little things. Wow, website development. Wow, we're getting really quicker now. You got high speed internet and stuff. It's still developing, the internet. I mean, we're still getting ... Now look what happened the past few years. Cloud, big data analytics, AI. How it goes on and on and on. I mean, you're looking at an industry that's incredible but this is what I see. I mean, even if you're not interested in my digital security offering, which is the most investor friendly deal you're going to find by a mile in this industry. It's investigating all my services, future services with the \$25000 minimum, competitors charging for 20, 40 grand just for that alone where you also get an equity stake dividend.

Also, everybody listening to this and our subscribers are going to get a 10% discount in the presale. So I made that promise to you and I'm not going to sell to any funds, which by the way, a lot of funds are reaching out to us in the past week because I've been mentioning it on the podcast, they want more information about it. Again, if this gets sold out, I'd rather it just get sold out with you. That's my goal. So if you do the math, it comes out to about 480 investors. It's going to be less than that 'cause people are going to invest more than 25 grand, but I know that everybody listening to this has been following me for a long time, they believe in the business long-term and the last thing I want is funds where most funds are not long-term oriented anymore. They're short-term oriented 'cause they're looking for returns right away and getting in, getting out. But there are a lot of funds reaching out to us which is kind of exciting. But anyway, probably the first two weeks for all subscribers listening is going to get a 10% discount which is awesome.

But again, even if you don't like my deal, start learning about this industry now. I mean, it's just incredible because here is what I see. Please listen to this, and I don't mean to go on for a long time, but you know I'm excited about it. I only talk about things that I'm excited and you can see the passion. I am excited about this. Again, for me to give up seeing my kids and family for a little while, you understand how big this opportunity I believe it is. But investment banks, gone in ten to 15 years. That's what I see. Sounds crazy. What are investment banks? They create nothing. All they do is, hey, well you have a lot of money? Okay, well we know you. Oh, you have an idea? Okay, here guys. You can get together. Okay, give us six percent and we'll take six percent of shares outstanding. They're bookies. They collect a vig. They collect fees. I'm not saying everybody out there but you're looking at an industry that hasn't been disrupted for a hundred years. This is it. That's what I see when it comes to investment banks.

There's a reason why Goldman, NASDAQ, all these companies are meeting. They're starting to invest in some of these other platforms. There's a reason why, because this threatens the foundation they were built on. But why do you need investment banks? You need investment ba- ... I mean, I just told you about Apple and these guys are money-hungry whores, that's what they are. There's not one sell rating on Apple, not one and that stock crashed 40%. Not one. Why? Because you got to be an idiot if you're an investment bank to have a sell rating on them because you're not going to get any investment banking business from a company that generates \$250 billion in sales every year, that does tens of billion dollars in bond offerings. Whatever. There's a reason why there's no sell ratings on there. These guys are in it for the fees, that's it. Not in it for giving you investment advice. I saw Gene Muster, who I respect because he actually was bullish on Apple and he went on and talked about it and said something that I thought was hilarious. He's like, "Yeah, despite everything and I've been wrong so far", and again I like him, but he's like, "They reported record earnings." Or whatever.

I'm like what does that mean? That's meaningless. I mean, you could have record earnings and show a penny growth year over year and that's going to be record earnings still but you're not growing fast as the market. I mean, that's meaningless. That's your thesis now? But to hear their thesis on it. They're not saying, "Well, this is great research and you should follow this guy and they're going to make you money." They have to make their bosses money. They have to make their company money. Security tokens, you don't need to go to investment banks anymore. Eliminates fees. Security token ETFs. I mean, even tokenized ETFs that have stocks in them tracking sector, pretty much like you can do now except these markets are open 24 hours a day. You're looking at famous art collectibles being tokenized, trillion in real estate where tokenization creates liquidity in a non-liquid sector. I see the over the counter market gone, disappear, goodbye. NASDAQ, New York Stock Exchange Company switching over to the token world where you don't have to report earnings every single quarter anymore. Why do companies report earnings every quarter? Why? Every three months, why? You wonder why there's so much financial engineering going on? Give me a break.

I mean, dumbest thing in the world. Why? Well, it's a way for lawyers to make a fortune. It's a way for accountants to make a fortune. It's a way for middlemen to make a fortune in unnecessary fees. Do we really need to know what's going on every three months? You may have the same regulation when the SEC comes out, which is very very soon, but I could see them saying, "Well, just updates every six months." But we're seeing it. We're seeing one of the first NASDAQ listed company taking one of their drugs. Think about that. Think about the mining industry. You could start a sec- ... I mean, some of these mining companies have ten projects. Maybe they have one signature project and they launch a security token. This way, why is that different? Well, I don't have to buy the rest of the garbage in your portfolio, I could just focus on this one token with this one asset that I know has a shot at getting bought by Goldcorp with your rest of the garbage that I don't want, just

like we're seeing with this cancer drug. And guys, you know I'm not bullshitting you here.

I mean, I'm basing my career on this trend. I mean, starting Curzio Equity Owners token and again, which is scheduled to launch in a few weeks. So that's what I see. Very, very exciting stuff, getting deeper and deeper by the day. More and more partners, talking to more and more people. It's just a fantastic industry, something that I'm excited about and again, we'll share much more details with you over the coming weeks before we launch. So guys, if you're a credit investor, you want more information on our token offering, feel free to send me an email at Frank@CurzioResearch.com, that's Frank@CurzioResearch.com. We're very close to launching our website, just about done for our token which is called Curzio Equity Owners, which we're going to have videos on there, educational material on there and also a FAQ page because I know some of you have so many questions. Do me a favor guys. If you have questions on this, if you don't understand, send it to us because there's going to be a lot of people that are going to have the same questions that may want to subscribe to this or not subscribe to it.

But this is all going to be available to you free on our site once we launch again. It's just about done and I want to put as much educational material out there for you guys and, again, I tell my staff the same thing 'cause it's a new industry for everybody. If you have questions, we know the answers. We find the answers, but fortunately, we do know most of the answers now because we've been going crazy and researching this industry for over six months. So yeah, very very cool and guys you should be researching this industry as well because again, still in its infancy, a lot of people not really following, don't know about it but it's happening right now and I truly believe that this is something that could generate life-changing returns for you. Not something that's small, something that, oh wow this is pretty cool. This is investing in internet companies in 1996, '97. Yes, we had the bubble and it came back, but look at the Amazons and all the great companies and eBays and stuff like that. This is the opportunity and a lot of people are going to

start coming into this industry pretty soon.

So guys, do me a favor. Start researching even if you don't want a token or whatever because it's very very very exciting and I think it's going to be very very worth your time. So that's it for me. Real quick before I go. Gonna be in Vegas next week. CES, like I explained. But I taped some awesome podcasts for you which is going to come out Wednesday where I interview one of the best security token lawyers in the entire industry. Knows more about this industry than almost anyone. But if you have any doubts about this, security tokens, just listen to her, okay? It's unbiased, she's not really gonna talk about my token. She's not gonna be talking about anything, she's just going to be talking about ... She's been engulfed in this industry over the past six months and the people that are coming to her and why these are different from utility tokens because some people believe that crypto's crashing and why go into ... It's totally, totally different. It's two totally different markets. But definitely listen to that interview. It's going to be very exciting.

And again, I'll have that for you on Wednesday since I will be having my boots on the ground, doing my homework for you at the CES which is always a lot of fun. So guys, thank you so much for listening. Be sure to follow me on Twitter. Definitely next week. My handle's @FrankCurzio. I'm posting live videos and stuff from the CES and giving you guys, again, some amazing boots on the ground research. So I'll see you in seven days. Take care.

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