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 18th, and I'm Frank Curzio, host of the Frankly Speaking podcast where I answer all your questions on the market, stocks, comedy, sports, anything else you wanna throw at me. Created this podcast to answer some more of your questions that you would send me through my Wall Street Unplugged podcast which I host every Wednesday.

You want any questions answered, just send me an email at frank@curzioresearch.com. That's frank@curzioresearch.com. Be sure to put Frankly Speaking in the headline, you don't know, your question might be the one I read on this podcast. Keep the questions coming. I get a lot of good ones in. First one is from Michael, and I love this one because it's nice and short. Sometimes I get a full page of questions, and six or seven of them. This one's nice and simple. Michael says, "Hey Frank. Nice call on Netflix. I wish you posted more on Twitter. Do you think the stock is gonna go a lot lower from here?" Now, just to get everyone up to speed, Netflix reported earnings on Thursday after the close, and about an hour before, I posted on Twitter, @FrankCurzio, "Yeah, I'm not sure I wanna [inaudible 00:01:20] Netflix into the quarter." I mean, a price hike, which they announced a couple of days ago, is factored in, so I said the company better report amazing numbers to justify the 50% move in the stock price since Christmas. Talking about less than a month.

Anyway, Netflix reported, and, I mean, the guidance was really horrible. Really bad, and before we get to the numbers, I wanna explain something to you, because when it comes to analyzing stocks, I mean, we can all read the financials, or you can learn to read the financials. Think about it. If it's 10K, annual report 8K, quarterly report, the numbers are there for anyone to read and you can interpret them however you want, but you can learn to do that. It could take someone 20 years to learn it or a year, but everyone can learn to do that.

Now, what makes good stock pickers or separates the great from people who aren't that good is using everything else around you. That includes common sense, your network, right? These guys are just people who … you have a big network. They're following different sectors, different ideas, they can lead you to new ideas. Doing a boots on the ground approach with some management teams going to malls, and you can do a shot visiting these stores personally to see what's doing good, what's not, are people actually buying stuff, carrying bags around, talking to cab drivers? Just all that gets factored in when it comes to picking stocks, and when it came to Netflix, which is an amazing company, [inaudible 00:02:47] for a while, they have the best content ever.

But for me, when I saw Netflix three days before they came out with earnings put the word out, which they did, it had to come from the company, that they were going to raise prices, just, again, three days before the quarter, to me, that was odd. Like, why don't you just wait till the quarter to announce it? Why do you need to … It was great news. The stock jumped a lot higher and that. Why? Because Netflix now has pricing power, they have the best content, they can charge more, and when you raise prices, I mean, that's when it goes right to the bottom line. You're not creating anything else, you're not hiring more. These people already sold, they have a service, and you're just increasing their price. That bottom goes directly to the bottom line.

It boosted their stock, it's great news, and I saw Kramer talk about it. I was like … I was just curious why they did that three days before the quarter. It didn't make sense to me. Like, why don't you announce that in the quarter? The reason is you're probably trying to mask something. I thought the numbers were gonna be bad. When you look at the numbers … Again, expectations for this stock going into the quarter had a lot to do with it. We're talking about being up 50% since Christmas, less than a month. 50%. We're not talking about a small cap stock that signed … you know, a biotech that signed a deal with Pfizer to help them develop a drug or something, or a mining company that got investment from Goldcorp. We're talking about a major company, one of the largest in that industry, going up 50% in less than a month, and I know that sell off was kind of crazy after December. I get it.

But what happened when Netflix reported? The numbers weren't that great. I mean, they beat by six cents on earnings, which is the past three months, whatever, and that amounted to 30 cents compared to 24 cents, but revenue was a little light, which is meaningless, guys. It doesn't matter what they report this quarter, it matters what the guidance is gonna be. Okay, because you could blow out the numbers last quarter, but if you lower guidance significantly, the stock's gonna come down tremendously, because that's going forward. That's what stocks trade on. What do you think is gonna happen in the future? When you look at the guidance, they say they expect to generate 56 cents a share in earnings. The consensus estimate is 86 cents a share. That's a monster miss, guys. That's a monster, monster miss, and for a stock that's up 50%, if they didn't make that announcement about raising prices, this thing is down 20% the next day. That's major right there. This isn't just a little bit of a miss, or …

No, and it wasn't just that. I mean, the numbers … Revenue's also, going forward, you expect it to keep in line with the estimates, right, the guidance for next quarter. I know what the bulls are gonna say. It added 8.9 million subscribers for the quarter, which is about close to a million more than expected, and Netflix has been trading on subscription growth just like

Facebook, just like Twitter, and I get it, but even when I look at Facebook, when you have 2.6 billion, 2.7 billion … I mean, guys, what is that, 7.2, three billion people in the … You're gonna stop adding subscribers. You have to start monetizing them, but everyone looks at the subscriber number. The subscriber's like, wow, they added more subscribers, but if you really look at the details, a lot of those subscribers, like, 80% of them, are international names, and those aren't high quality names.

They're not gonna pay fully for content. Yes, you could put subtitles on anything, but they're not US viewers that are glued. There's studies on this, and this is covered widely by [inaudible 00:06:26]. I mean, international, depending on where it is, but most areas, especially outside developed nations, it's not gonna be as great a subscriber as a domestic one, which is one thing. But when you look at the subscription growth, I mean, I could say … and if you have 50,000 subscribers for one of your products, that's amazing. Now, I come out and say, "Hey, we added 20 million names. 20 million subscribers this … " You know what? That was it. You know, and our token, I'll talk about my token later, which is gonna be coming out in a couple of weeks, we're gonna launch it, but that would be … If we put that news out, it would drive it a lot higher, hit 20 million names, if I just left it as that.

But if you look under the hood, and you see that I paid $100 per name, that $20 million number is kind of meaningless, and when we look at Netflix, and when you're looking at the amount of money and cashflow, I mean, it's incredible how much money they're burning through to add these subscribers right now. You've seen advertising now, more advertising than I've seen, but if you're looking at the content, at the people, look at, I mean, Chris Rock, Adam Sandler. You look at the names that are coming out, and the amount of money that they're paying these people, and then you look at the cashflow and the burn. I mean, you're looking at a company that burn through, what is it, 1.3 billion for the quarter, and then they said they're gonna burn through three billion in cash next year.

It's pretty crazy, and when I look at valuations right here, and everyone's looking at subscriber growth and subscriber growth, but again, those quality subscribers aren't that great if 80% are international. They're still subscribers, and I get it, I understand, but you have to factor in, one, the stock has gone up tremendously, which the price means nothing if the valuation's there, but let's go over valuation. By the way, valuation has not been the story with Netflix, right? I mean, you can go back to 2004. 2004, stock's trading at 100 times earnings, and it's up, if I had to guess, thousands and thousands of percent since then. But it's important right now to look at this, because you're seeing massive, massive amount of money being spent, expectations are sky high, and when you're looking at the valuation, it's ...

They're expecting to generate, this year, right, still ... they still have a quarter left, whatever it is, $2.64 for 2018, right, so you still got ... that's 2018. $2.64, and that earning number, the stock's trading at 130 times earnings right now. 130 times earnings. The average company in the S&P 500 trades around 16 time earnings right now. That's okay. It doesn't mean you should run away from the stock. You wanna see the growth, but they just lowered earnings significantly last quarter. They're showing that they're paying more money and they're not growing like crazy like they were, because it was a major miss, and companies can trade 100 times ... As long as you see that growth and it's just justifying it, that stock's gonna go high. Wall Street loves growth. But you just lowered earnings significantly into next quarter.

Now, next year, the company's projected to grow earnings to $4.54 sense from 2.64, so around 80%. If we take that number, the forward earnings are 80 times, so the company should get 80 times forward earnings. Again, and just significantly lowered their estimates last quarter. Now, if you go to 2020, that's when it gets interesting, because [inaudible 00:09:56] believe ... they're expecting the company's earnings to go from $4.54 to $7.35. That's a massive move higher. You're looking at a company that's expected to grow earnings now by 80%, 70%

plus, which kind of seems insane to me right now, considering most of these subscribers, they're not quality subscribers. The amount of money that you're spending out there ... I don't know. It just seems like very aggressive, but even if we took the 2020 numbers, and we used $7.35 cents, Netflix is trading at more than 50 times earnings. That's how crazy that stock is right now.

Now, again, it's been expensive for the last 15 ... I get it. I know. I follow this trend, and I like Netflix, I love their content [inaudible 00:10:45] stock. I'm just talking about right now, for a stock that went up 50% into the quarter, why did you make it a point to announce you were gonna do a price raise, which is very positive, with a stock, three days, four days before you reported? To me, that was kind of fishy. I felt like you're trying to mask something, like I said earlier. When I look at three billion you're gonna spend next year ... you know, the negative free cashflow right now ... Again, I think that number is conservative. I think it's gonna be a lot more than that. Obviously they spend a ton of money to get new subscribers, continue to put out great content to hide the best actors in the industry.

It's just price for perfection, you know? Great company, the guidance was horrible, free cashflow, another negative three billion next year. They now had net debt of $5 billion, and when I look at the percentage of the float, that's short, right? When we look at the short ratio ... You could find it on Yahoo! Finance, which is a free site. Just go into key statistics and you'll be able to see it. Take a second here and guess. What do you think that number would be? I just looked at it for the first time in probably six months. If I had to guess, right, I would say it's definitely more than 10%. It's only 3%, the short ratio. I can't believe it's that low. I mean, we heard so many people about Netflix valuation. 3% is extremely low.

I think that number's gonna go a lot higher after they miss estimates and you have a stock trading at 80 times forward earnings. That's obviously need to spend billions and billions and billions. I mean, it's a different story right now than it was over the past two years, because they lowered earnings, because the quality of those subscribers are more international than they are domestic, where there's not as high quality subscribers. That's one of the things that worries me about Netflix. Is it a great company? Yes. Are they gonna continue to put out great content? Yes. Will I pay extra for it? Yes. But all that is factored in right now, so just be careful, and, again, use your common sense. Why would a company like this have to announce that they're going to raise prices, which is a positive, and they knew the whole world would be talking about it, because they've been talking about it the past three days, but why not announce that on the quarter? Why do it three days before?

The only reason why you would do something like .... It's the same thing with Apple. I said the same exact thing. The day Tim Cook said, "We're not gonna report unit sales," that's like a pizzeria telling you they're not gonna tell you how many pizzas they're gonna sell. You knew that's smartphones ... and look what happened after that. He was telling us China was good. It's horrible. I mean, they're cutting demand like crazy. Look at Taiwan Semi's quarter they just reported. Again, those guys, that's the leading indicator. When you hear things like that, there's a little sensor that should go up, and right now they're going up for me with Netflix, and I do think it's gonna go lower from here. I'm probably the only person in the world that thinks that, so what do I know? Moving on.

Next question's from mark. He says, "Frank, really great coverage in the CES," which is Consumer Electronic Show on Twitter. I'm pitching to Twitter a lot now. He goes, "Loved seeing you play that robot in ping-pong. Thanks so much for all the hard work. Was there any stocks trends we should avoid, since you did provide lots of ideas for us when it comes to 5G and AI," which is artificial intelligence, and then, Mark, I almost didn't answer this email because you finished it saying, "and really sorry about your eagles." Listen, they may it a lot further than I thought they would. If you had told me they would have scored 14 points in the first seven minutes of the game and not scared another point the rest of the game, I would have been surprised. I really felt they needed 21, 24 points to beat the Saints.

Anyway, I won't go into it. I was disappointed they had the ball with the shot to win, but sometimes things don't always work out, and Jeffery did have that pass go through his hands. Anyway. Looking forward to the rest of the playoffs. But they played well. They were basically … even I did kind of count them out because they were just playing so bad after Wentz got hurt six, seven weeks ago, and they did have a good run, and I was happy that they made the playoffs, won a game, and almost beat the number one seed, but thank you for bringing that up again, Mark. I appreciate it.

Now, the CES, the Consumer Electronic Show on Twitter. I know, I was there, and I'm going to Vancouver tomorrow. I'm gonna be at Vancouver speaking at the VRIC. I'll go over that in a second, but going crazy, but with the CES, it was amazing. I really covered on Twitter for the first time. A lot of times, I covered on Facebook, and just providing a lot of video feeds, got great feedback. You say you loved to see me play the robot in ping-pong that basically kicked my ass for a little while. I was playing in front of a hundred people, and finally I beat him, but I was just taking these live videos, and trying these technologies, and explaining to you the positives, the negatives, and the trends you need to focus on, and sampling new products. It was really cool.

So many people [inaudible 00:15:34] great coverage, I wanna go there. You really see so much of the stuff that's there. It is overwhelming. There's about 4,500 plus companies presenting. I think it's based in four or five different hotels now, the convention center and the Sans Expo are the two biggest. You have Eureka Park, which is all startups. But it was really cool. Guys, if you get a change, on Twitter, @FrankCurzio, that stuff's for free and I appreciate that.

Your question is any stocks trends you should avoid? You should have my issue today. I thought it was gonna out Thursday, for Curzio Research Advisory, but the reason why it was extended a day is because I may have written one of the most quality issues for that newsletter since we started in pretty close to two years now. Filled with tons of pictures where I took samples, and I broke down every single trend. If you're only gonna read one letter of Curzio Research Advisory … It's 18 pages. I really put my heart into it.

Again, you're gonna see me break down AI, 5G, wearables, self-driving cars, all the trends, and actually highlight the big cats, winners, losers that could impact, so it was just a good issue that I think, after you read it, it will let you learn more. You'll learn more about the trends, and then you'll probably go out and lead or find new ideas, basically, from what you read, because it really opens up the door, explains 5G and the whole process behind it, why AI is such a big deal, who are the big players in it, and it was a really cool issue, and guys, that's the newsletter I provide for the cheapest price. It's under $100 for the entire year. I could probably sell that issue for 200, 300, $500, just that one issue, and the reason I do that is to give back. I want people to … and hopefully a lot of the stocks go higher. A lot of them did get hurt in the last three months of the year, but we were doing very, very good throughout the year, and a lot of these things are bouncing back and we're fine.

But it's a low price, and because people get more familiar with it than just my free content, which is the podcast, you can go to the blog, Twitter and stuff like that. You say, "Well, let me see what Frank's all about." Now you really see the research behind the picks, you see me out in the field, and then we have our high price products, and the talented credit investors as well, where you're getting ideas that you're really not gonna find any place else, and that's what we do.

For me, I wanna give back and provide a low price for that newsletter, and again, this issue is worth that price alone, as you'll see when you read it, but hopefully you got it today, and the reason why I'm bringing it up is not to sell or anything, is because I mentioned in that issue some of the trends, and I don't wanna give too much away because literally I mentioned 25 plus stocks in there, and then the one company that I love, which I know no one ever heard of because I never heard of it, even though it's a very old company, and it's just remarkable. I had the chance to speak to management and sample their technology, and it was unbelievable, and I loved where the stock price was because it's come down so much.

Anyway, if you're looking for the negatives, self-driving cars. I think autos are in big trouble if they really think autonomous vehicles ... Yes, we have cars that can drive around by themselves, but to have fully autonomous ... I mean, there's people that love driving, and maybe that would work in a city. I mean, the buses and mass transit things that they had there for autonomous were pretty cool, but if you're really looking at your neighbor or self-driving cars just to drive past your home or something like that ... I mean, this so is more than 10 years away, and these guys are basing everything on it because there's really no growth in the auto industry.

They have the iPhone model. Well, let's keep putting out brand new cars every single year, and you know what? Those cars can really last 10 years, 15 years. They're that durable now, they're that amazing, and people don't wanna upgrade and buy a car every single year, so they have to find ways, bells and whistles, and a lot of that stuff was cool, and seeing those technologies behind it, and their new cars, but self-driving vehicles is just ... you know, you're not gonna see it any time soon. I mean, imagine a person like me who likes to drive, and I'd crash into one of these vehicles. What do you think? Social media in real-time. I mean, things go viral so quick. What do you think is gonna happen? Oh, a self-driving car killed somebody, or whatever it is, but when all those cars are on the road together, and they're communicating with each other, it's different, but to have drivers alongside people driving their car ...

I just can't picture self-driving, like, oh man, I wanna go out and grab some milk so I'm just going to sit in the back seat and let it drive, whatever, a mile to the supermarket. I just can't see that. I mean, I like just jumping in, driving. Again, from the common sense point of view, which I mentioned, I just don't see that trend happening any time soon, and the fact that the major autos, OEM providers, are going all in on this industry, and I get it, I just don't think that they're going to get that bang for their buck right now, because we're still pretty far away from it.

Wearables. I mean, just hundreds of companies. I don't know if they think that we're gonna turn into octopuses one day and this way we could wear seven or eight of these things, but usually people wear one watch, and they all kind of do the same thing, whether it's your heartbeat, it's your phone, and connect to the internet, and just answer texts, count your steps and stuff like that. It's just different designs, but there are low barriers of entry to that industry. I mean, you could start a company right now and say, "Hey, okay, I'm in that industry," and with Apple actually taking big market share there ... I don't know. I just don't get it when it comes to wearables. Fitbit as well. I would be worried about that.

One other one I'd be worried about is GoPro. I mean, their new Hero 7 camera was pretty cool, but they had a booth right next to the biggest companies in the world that present for the last 15 years. I mean, they usually are on a different side, or in the back, and they had a big display last year that I kind of was like, whoa. This was right next to Panasonic, not too far from the Samsung, which is by far the biggest company there, along with Sony and LG. Those are the three main players that spend millions and millions, and the Hero 7 camera got a Consumer Innovation Award, CES Innovation Award, but I see similar cameras that are cheaper, that have better customer reviews. There was companies there presenting them.

When I look at GoPro, I like the product. I know they have their demographic which is gonna buy their products no matter what, just like everything does who's attached to the brand, but there's just too much competition in that market. Another market that's very low barrier to entry, obviously, but the cameras that I saw there, I was just surprised, and that they really, really, really spent a lot of money. I mean, a ton of money. You're looking at companies that generate billions in profits, and you're looking at GoPro spending the same amount of money as those guys to be right next to them, and I don't know. I just don't know if that was a good idea, but ...

As for trends, self-driving car, wearables, and then Fitbit, GoPro. Yeah, I'd still be careful of those names, but I don't wanna give too much away because people do pay for my research, and I have to tell to them, and they really, really got a good issue, so hopefully you guys enjoy it. Read it once, read it twice. You'll learn about all the trends. Again, 5G, AI, wearables, virtual reality, augmented reality, cloud. Just so many different smart cities. Just really, really cool stuff that I think you guys are gonna enjoy, and I'm sure it'll lead to you finding many more ideas within these sectors and the ones that you like.

Well, let's take one more. This is from Jennifer. "Frank, are you attending the Vancouver Investment Conference this year? If so, I'm looking forward to meeting you in person and watching your presenting." Thank you so much. Yes, I am. I mentioned in a couple of past podcasts. I mentioned it earlier as well. I'm leaving tomorrow morning at 4 AM, so, just, again, I'm a boots on the ground guy. I'm going out, it's getting crazy now, especially since we're gonna launch out STO in a few weeks, and that's what my speech is gonna be about, because this is gonna impact so many different industries, and I'm really excited about the launch. I told you in the past, I gave you some details. We're very close. The first two weeks is gonna be the private sale, where all my followers, listeners, subscribers, are going to be able to invest in this round only.

You're gonna receive a 10% bonus, so if you're a credited investor and come into this, our minimum's gonna be 25,000, and you will get a free 2,500 Curzio Equity token if you do that, and that's only available for this private round. I'm not gonna allow any funds to invest in this round. That's gonna be later on, at least during the first two weeks, and yeah, I'm doing that for you. I wanna get you guys in, because this isn't a newsletter where, okay, you could sell it as many as you want. There's a limit. We're looking to raise $12 million, and that's amount to 25% equity in our company, so those qualified investors that come in, you're gonna be an Equity owner.

Think about that, with all the newsletters, and I know you guys, we know the numbers, you all know the newsletters, you all know the competitors' newsletters, and I get it, but when you buy one of our competitor's newsletters, okay, fine. You give them money, and your stock goes up or down, but say if you lose money on the stock, what happens? Well, they keep that money. They're fine. You just got crushed and you paid a fortune for your subscription, right, which is kind of frustrating. You're an actual equity owner of the company in our company, in our growth, so when people are subscribing to our newsletters, that's gonna benefit. Gonna benefit equity owner. Gonna be generating more money.

Also, we plan to pay a 3% dividend on this token, which is more than the S&P 500. Plus you're gonna get all of our products for free, which our competitors charge for that type of membership 20 to $30,000 alone, just for that. Yet with us, you're gonna get an equity stake, probably the only time it's ever gonna happen in the financial newsletter posting industry. I don't think you'll ever see that, and you're gonna get paid a dividend, and it really is a good deal. It's structured as a good deal, and even the people I'm mentioning it to are very excited, and I haven't seen a deal structure like this, but the biggest benefit to this, and I'm being dead honest with you guys, okay, is, yes, it's a good deal, yes, you're gonna get all that stuff, but during this process, it was incredibly difficult. You're merging two different industries, and you don't have people to give you advice on everything.

To get to this point where we are, we need to hire world-class lawyers. We're using the best platform in the industry from Securitize, which got investments from some of the biggest guys out there. Just the documentation we had to put together and write up. We had to have accountants, lawyers, compliance. I mean, holy cow. I mean, you have no … It's just the amount of work to get to this point was crazy, and that's a good thing because we're not gonna see a lot of people try to do this, or they're gonna need help doing this, and that's what's happening right now, that we had the process down, and been through the whole entire thing, and ready to launch in just a couple of weeks.

A lot of companies in our contacts are coming to us to help launch their own digital security tokens and need advice on how to do it. What does that mean for you? That means you're gonna have access to an unbelievable lot of amazing ideas in this industry, which I believe truly that this is gonna be a multi-trillion dollar industry in five to seven years, and you could say, "You know what? People throw that word trillion around all the time," and they really do, especially in our industry, right? It's kind of funny. Everything's trillion dollars. I'm an analyst. It's all numbers. I don't just take things and just throw them out there.

Let's give you a perspective. There's $200 trillion in real estate assets alone globally. At least another $100 trillion assets total. Say 300 trillion. If just a half percent of these assets get tokenized, we're talking about a trillion dollar market. What does that mean, tokenize? It means that if … and a lot of these assets are liquid. It's selling a piece of these assets to investors, right? It makes sense if you own a huge commercial real estate portfolio. It made sense for Andy Warhol's painting, which somebody wrote to me and said, "Frank, Warhol's dead and you're talking about him … " Yeah, you know, and I think I answered that question last week. I said, "Stay focused, buddy. Stay focused."

I mean, the biggest thing is that here we have one of his prized paintings that went to auction, I think it was either Sotheby's or Christie's, and they tokenized 30% of it. That means people like you and me could purchase a portion of that, maybe for 10,000, whatever it is, and you own some of this, right? What does that do? Well, that's good if you have an asset. Think about having equity in your home, and a lot of times you can't get it out with the bank these days with new rules, but imagine being able to get that equity out of your home. That's extra cash you have. It makes sense.

It's almost like a royalty company. A royal company provides financing. Say a gold royalty company in Newmont has a big asset, and they want to de-risk the asset a little bit and say, "You know what? Let's sell off 20%." That's kind of what reinsurance is, right? Reinsurance is insurance for insurance companies. I can't believe I said that. It's kind of a tongue twister [inaudible 00:28:54]. Anyway. Getting back to it. Newmont wants to sell 20% of its asset, so they would go to these royalty companies, and there's a million different clauses, and once you start producing, then we get to buy this gold for ... and they give Newmont a lump sum, whatever, $100 million payment.

They say, "Once you produce, well, we get to buy your gold at $500 an ounce," which we know is close to 1,300 an ounce, but there's all kinds of clauses in there saying, "If you don't produce, or if development costs go through the roof, or you take longer to produce this, then we get to buy $300 an ounce," so there's all ... Remember, I used to look at a lot of these deals. I used to break them down. Royalty companies are amazing. They're financing companies. They don't produce anything. When I see royalty companies and say, well, why wouldn't Newmont tokenize their asset? Now they don't have to deal with all this, all the contracts, all the garbage. They can give it directly to investors, and you know what? That's pretty cool, because I know Newmont is merging with Goldcorp or buying Goldcorp or whatever. I broke that down in my newsletter as well, and in a podcast, but when I look at Newmont, they also ...

Every company. We all have crappy assets. We all have amazing assets and we all have crappy assets, and when you buy the stock, you own everything. But imagine if you could sell your best asset, and sell a piece of it to investors. You're tokenizing that asset. I mean, this makes so much sense to me. The first Nasdaq listed company, it's a biotech, have a pipeline of drugs. The company just tokenized one of its best assets to develop their top cancer drug. That's pretty amazing to me. I could see mining companies. I could see so many companies doing this, but all you need is a half a percent of the asset, so people who own these assets do it, you're talking about a trillion dollar industry, and it makes sense.

This market is not coming, guys. It's here. You're not hearing about it. I am, because I'm involved. I'm in the middle of this. I'm dealing with some of the biggest players. Investors in Curzio Equity are gonna have access to a lot of these new deals because they're coming to us saying, "Wow, this is a great idea. How the hell do we do this?" Well, here's how you do it. Here's the people you have to listen to. We can guide them. What does that mean? That's gonna be sort of like being able to invest in the most promising technology companies during the very early stages of the internet boom, and you know what? You're not gonna have to have a multimillion dollar account at Goldman or a venture capital fund to do so. Imagine having that kind of access. Imagine you were able to invest.

You'd have to be an accredited investor at the beginning for that 12-month lockup period. Then you could buy that token on the market. Yeah, it's gonna have equity attached to it. It's like the ICOs not on the market, but imagine having that kind of access to invest in the private rounds of Facebook seven, eight years ago. Twitter, Uber, Airbnb. I mean, guys, that's how the fortunes are built. These hundred million dollar plus fortunes, by investing in these. Not by investing in Facebook after they come out publicly. I mean, yeah, that stock has done well, but most of that ... Wouldn't it be nice to get in that $4, $5, $10, or get into one of the early financings in Uber or something like that? When it does come public, you'd be okay, same with Airbnb.

This is the access you're gonna have now, in this market. That's why I'm such a believer in it, because it's like Uber. It makes sense. If you ever took a Uber, you would never take a taxi again. You don't have to worry about someone driving you that you don't know. They pick you up, they call you, they tell you, "Okay, I'm coming. I'm right here." You get to see the person. You don't have to take out your credit card. You just get in, get out. I can't tell you how many times in in New York City, and you give them the credit card, and they print it out, and the guy's hanging on the door to get in. Come on, hurry up, hurry up. Not only that, it's like more than 50% cheaper for Uber than a taxi. I mean, everything that you look at Uber just ... That's how this industry is.

This is something that's going to threaten the investment banking industry, an industry that hasn't been disrupted since the creation hundreds of years ago. Think what the incident did to travel agencies ma and pa. I mean, the Walmarts, online brokerage. How many things have gotten disrupted? If you look at the investment banking, what is it? These people aren't creating anything, right? They're like, "Hey, I know a lot of rich people and you have a good idea. Here, you guys meet. Pay me." It's like Goodfellas. I won't curse, but you know what the curse word is. Pay me. Whatever happens, you pay me, and no matter what, you get paid. They get paid no matter what. For doing what? This disrupts that industry. That's why I'm so excited about this idea.

Plus it's still very early, opportunity that few people know about and talking about, where ... I see a day where mining companies, biotech, oil, real estate, companies from numerous industries, they're gonna token their best assets. It's much cheaper alternative compared to traditional ways of raising capital. Companies, right, they no longer have to pay the huge fees of middlemen, which is at least 6%, sometimes 15% for small cap stocks. Imagine, all the money you raise, you've gotta just give to someone because they know a few people that you don't. For investors, you're gonna have the opportunity to invest in early stage companies, without needing to have that multimillion dollar account at that major investment bank. Again, Uber makes sense from every single level.

Anyway, gonna be breaking this down in my presentation, the VRIC, on Sunday, scheduled to speak 2:20PM Pacific, which … People are asking me is it gonna be live. I don't think they're shooting it live, but we'll have a video in a couple of days, and I'm gonna post that to everybody this way. I'm gonna talk about a lot of stuff I just talked about now. Just explain this industry to people, and believe me, I've been pitching. Not pitching, it's a bad word to use, not pitching, but I've been talking about that is industry to my best contacts, and I've been in this industry for 25 years. As you know, Wall Street Unplugged, over 10 years I've been interviewing on a weekly basis, probably over a thousand experts analysts, and the reasons why I've been talking to them is because, for me, when I'm really excited about something, I want them to tear it apart. I want them to rip it apart, and I'm not even …

It's 100%. It's not even like 85, eight out of 10. When I'm sitting down with someone and I have a half an hour to explain this to them, they're blown away, and I'm like, "I know, because that's how I feel," and I'm hoping that you weren't blown away. This way you could say, "Well, what about this? What about … " and every question they asked, I said, "Listen. This, this, this," because now, just being in this industry, and understanding it, and saying, "Well, why would you do this for?" Well, it's a lot cheaper for me to bring this instead of doing a private placement. It's great for investors, because if I did a private placement, you'd have to wait seven to 10 years on average for that [inaudible 00:35:46] to occur, for you to cash out of it if you wanted to, or have the opportunity to, because I have to wait for what? Two things. I have to wait for me to get a card, or if I do an IPO, an exchange. This is 12 months later. That's their holding period. The cost alone of the holding period, you don't have to pay huge fees to investment banks.

Again, Uber, it just makes sense, and the people I've talked to are just blown away by it. We've seen a lot of interest. If you're interested, please, email me. frank@curzioresearch.com. [inaudible 00:36:15] credited investor. If you're interested in getting into our Curzio Equity owners token, just send me an email. Our white paper is finished, basically. It's in design now, so I should be able to send it to you probably by next week. Again, if you're interested in something like this, frank@curzioresearch.com. Even if you're not interested in our token, please, start educating yourself about this industry. We have an awesome site called token tracker absolutely for free, posting the biggest stories. Taiwan just announced an exchange that they're launching, 9.9 million, fully registered with the SCC. Gonna be trading on, or plan to be trading on, on exchanges in America, so that's where the token's gonna be trading, on tZERO platform.

Almost every day that goes by, you see more and more of these come because they just make sense. You can track all that stuff. It's one of the best sites out there. Again, it's all for free. But start educating yourself on this industry. It gives you, me, the individual investor … it levels the playing field. We can get into so many of you guys' ideas at the prices that these guys have been getting it for the last hundred plus years, and taking so much advantage. Those days are over. That's got me excited.

Guys, that's it for me. Thanks so much for listening. Look forward to seeing you in Vancouver in a couple of days. Definitely be sure to stop by and say hi if you go. I'd love to meet you guys. I love you guys. I'll see you in seven days. Take care.

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