Frank Curzio's FRANKLY SPEAKING

Announcer: Wall Street Unplugged looks beyond the 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 25th. I'm Frank Curzio, host of the Frankly Speaking Podcast where I answer all of your questions. [inaudible 00:00:23] sports, anything else you want to throw at me. I created this podcast to answer some of your questions that you were sending to my Wall Street Unplugged Podcast, which I host every Wednesday. If you have any questions to answer just send an email at frank@curzioresearch.com. That's frank@curzioresearch.com. Be sure to put Frankly Speaking in the headline. You never know, you have a question may be the one I read on this podcast.

Hey, let's jump right in with a question from Brian. Says, "Hey, Frank. I never heard you talk about defense stocks. Companies like Northrop Grumman, Lockheed Martin have rebounded nicely but are still down 25-30% from their highs. Do you see any value in this sector. Thanks."

Brian, it's a good question. The last time I became really bullish on this sector was when they had sequestration, which was 2013. Which basically means there was spending cuts in defense, it was a whole political thing. These things got hammered. They got destroyed. I felt like it was a great opportunity to buy these names. I love the question because I love the timing. I like to look at things that are depressed for reasons that could change in the future, which they're down with trade fears. Nothings really getting better in

Washington. But, the defense budget's basically set in stone.

What I liked about when it comes to these companies you're looking at companies that are very, very old. They've been around for decades, and decades, and decades, about 100 years. When I saw the sequestration, and when they were looking at defense cuts these companies are smart enough, because you know they have inside contacts. They're in Washington, they know ... They don't just produce planes. They don't just produce missiles. They produce a wide range of things, these majors. So, they know what's going to get cut and then they'll basically cut in their own company, and their own divisions and scale up or increase spending, basically, in other parts of their businesses. Like, look how great drones is doing. You're looking more at services and technology.

So, right now we're at that point where if you look at these names, which is remarkable because I took a look at every one of them. Every one of them, I'm looking at Northrop, I'm looking at Raytheon, General Dynamics, Lockheed, those are the four major ones. I love looking at specialized companies who did very good AVAV, which is just a drone provider for defensive companies. Which is up profits over 300% gains on that in probably a year and a half I believe, maybe two years. We kept the other half position is still doing incredibly well on it.

When I look at the industry as a whole there's not a lot of difference between these in terms of, yes if you look details some are going to be more specialized in certain areas then others. But if you look, the industry trades the same. They're all down roughly the same, brought a good point. Some down 18%, some down about 25% now. They have bounced back, right, with the rest of the market. But, when I look at these every one of them, which is kind of weird, is traded about 14 times earnings. They only trade kind of in line with each other. I love the industry, I know that we are going to solve the problem when it comes to trade and that's really been pushing this down a lot. You're looking at 2019, and yes we're seeing slower growth, and we have a couple predictions for a recession in

2020 or whatever. But we're talking about defense spending.

These guys are going to continue to make money hand over fist and the biggest catalyst is they're is going to be a trade deal. It could happen a month from now, it could happen three months from now, it could happen six months from now. But unless the US wants to go into recession this year and China wants to go into depression, which they both know now on the table. I mean, we're seeing just reports today, which is Friday, that La Guardia suspended some planes coming in because they don't have the staff. So if you're looking even what's going on within the government we see some of these things. Even with trade where it's impacting companies like Intel came out a report saying that trade has a lot to do with it and we had to lower our earnings. You're seeing it show up in the balance sheets, you're seeing these CEOs, these companies talk about it. It is going to be solved. It looks like it's going to be solved. It looks like negotiations are pretty good right now. If it does, you should see a bounce back in these names.

But I wouldn't go ahead, Brian, and buy and pick and choose here. Because it seems like they all trade the same. So why don't you lower your risk and buy an ETF. This way you lower your risk, if you're wrong that should trade better because it's going to have more than just these four stocks in there. I'm sure I haven't looked, but if you're looking at the two biggest ETFs it's ITA, which is the I shares, and you have XAR, which is the spider defense ETF. Those are defense ETFs. They're going to have probably those four names listed in their top seven or eight holdings. But they'll have a bunch of other holdings. So you'll limit your risk a little bit, and then if we're right here because you're buying on a pull back and that pull back was based on something, on a factor that's likely going to change at least over the next three months, which is trade. When we come into a decision it's positive, these things are probably going to ramp higher. Some will pay very good dividends.

But I'd go the ETF route and I like what you're thinking. This is what I like to look at in industries when I look at the macro picture. When everything gets killed you want to like at why is it getting killed, and the factor or the reason why it got killed. Is it going to change and it is. It is going to change. It's just a matter of time. So, I believe it's going to be in the short term. A lot of people believe it's in the short term. That's what we're hearing. Again, I believe that not because it's a guess. But because, I mean, China's ... You see the numbers. Some of the things are a 70 lows, housing prices are crashing. It's getting crazy in China. It's really, really, really, really terrible conditions. Now, it's starting to hit us too. Not only are we experiencing the normal slowdown after growing earnings 20% plus. But now we're saying that slowdown right now overall. A lot of it's because of trade.

So, we're going to see a deal. If it does this is going to set down benefit. Instead of picking and choosing out of those four that I gave you, the two that you mentioned which were Northrop and Lockheed, I would just purchase an ETF. It's probably a good buy, a pretty safe buy. What do I mean safe? It's just a low risk, high return. I think you'll out preform the market. That's the best why I would play it if I were you.

Next question is from Josh. He goes, "Frank, great quarter from IBM. You think it's still a buy here in the 130s?" I do. I think it's incredibly cheap. I mean, you look at a company that blew out earnings, they completely blew out earnings. Expectations were really low on this name, right. Compared to Intel they were a little bit higher in Intel. I mean, Intel's still trading cheap. That's why they're not seeing a massive 15% sell off. It was dirt cheap before, now it's even cheaper. So, if you're looking at IBM, or you look at Amazon, or Netflix right now to the core. I mean, every analyst has a bi-rating. There's so many people that hate IBM they just needed to show a little progress in some of their growth divisions, right. This company's been basically transforming itself for the past six years. You look at it going, "Man, it's been so bad and revenue's dead." Don't look at the revenue being down 22 quarters in a row. It doesn't matter. Because it's about margins.

I mean, you look at Wal-Mart, you look at a business. If it takes you $9 million to create something and you sell it for 9.1 million what would you rather do? Do that or sell something for $2 million … Or build something for $2 million and sell it for 5 million? Your revenues are going to go lower. Your margins, or your profits, are going to skyrocket. That's what IBM is doing right now.

When you look at a company and you say, "Wow, they're a 134 but it's up a lot." Please don't look at the stock price. Don't look at the actually number. "Wow, it's 130." It's all about percentages. It's all about market caps. All about shares outstanding. You have to look at the market cap. I mean, if IBM could, whatever, quadruple its shares outstanding and it's stock would be trading at … Whatever it is, 30 bucks. "Well, IBMs cheap." Guys, you got to look at the market cap.

The market cap for this company is 120 billion. By taking over Red Hat they'd be cutting the largest provider of hybrid Cloud, which is both a mixture of private and public Cloud. They've worked with Red Hat, basically, for the last decade. It's going to be, I'm betting on it, that it's going to be a fantastic … You're looking at it right now. The synergies are there, it's great. They work together. I think it's an amazing acquisition. It's a game changer, but this companies going from an old legacy to something that's growth. Where you're looking at Cloud, they're talking about block chain technologies. Just every single business, big data analytics. This company has turned around and you're looking at $120 million market cap. $120 billion market cap, well let's compare the market caps.

If you're looking at Amazon, is 800 billion. You're looking at Microsoft, over 800 billion. Google's up there too. I mean, this is a company that could easily double and still be well behind its competitors. That's how depressed it is. You say, "Well, Frank, what about valuation? It's trading below 10 times forward earnings right now. After going from 113, 112 whatever to 135." So they're a company trading 10 times forward earnings, which is a massive discount to the market which is trading around what? 16 times forward earning, 15 times forward earnings?

So we're looking at a massive discounts in the market. A company that's growing generating huge earnings, and on top of that it's going to pay you a very, very nice dividend. I mean, you're looking at close to a 5% yield. So I mean a 5% yield and the growth tells me that the stocks going to go a lot higher. You're looking at, "Wow, could they support that?" I mean, the company's reporting earnings per share, but a surge. You're looking at different payout ratio. This dividends perfectly safe for years to come. Now their growing, now you have ... They have a cheap stock that's going like a real technology company.

So when I look at IBM, listen, blow out quarter. Still a lot of analysts aren't sold on it. Say, "Yeah, you know, it was pretty good. It was all right." I mean, just, the estimates are still low on this name. They're looking at organic growth, it's not just they're acquiring companies. But that Red Hat acquisition is going to be a game changer and make them one of the biggest players in one of the highest margin industries, which is Cloud, in the world. That's pretty cool. It took a long time, it took six, seven years. I wasn't recommending it six, seven years telling you to avoid it. But, past year I've been pounding the table on this stock. We recommend it in our newsletter, we're starting to do pretty well on it. But at this level, under 10 times earnings and just reported a blowout quarter, which is great. I mean, you want to compare that to Netflix.

Think about it, Josh. Looking at Netflix trading at 80 times, 90 times forward earnings, next year's earnings. They just reported a quarter that was really not good. I mean, they added subscribers but they lowered their guidance significantly. So for me I'm looking at IBM has that momentum behind it. You're going to see more investors get into it. But, I think you need to see one more quarter before this thing really takes off. If they report another great quarter after this, you're going to see a lot of institutions, you're going to see a lot of self-side analysts change and say, "All right, now we're going to buy." Because that's what they do, they like to buy the stock when it's up 30%

from its lowest, 40% from its lowest and tell you it's great. They don't like to tell you that when it's at lows. But that's when you see this switch turn around and a company's really going to get momentum and go a lot higher.

But right now it looks great. Still a buy here based on valuation and growth, easily. I mean, it's hard to find a better technology company that's cheaper and has that kind of growth potential right now. I mean, most of the tech companies that have that huge growth are trading at enormous valuations. So, again, people still don't believe it, they're not crazy about it. For me, I'm a believer. I've been a believer, I've gone to CES. I told you, I highlighted that before the quarter that they were one of the best companies. I even showed you on Twitter, and talk about it, that it was one of the companies listed. Because they show the data of who's talking about what company all over. Like, screens, basically the social media, what's the buzz. IBM was on the top 10 lists. Like, listed whatever, six or seven. Or even five I think. Whatever it was.

But, I've never seen IBM on that list. They're never exciting. People aren't talking about it. People were talking about it at the CES. When I say people this are people tweeting, Facebook, and you're looking at 190,000 people that attended this CES, most of them technology executives. I mean, you talk about industry people tweeting and talking about IBM positively. For the first time I've seen since I've been attending the CES in the last seven years. So pretty exciting stuff for them, they're getting the job done. But they have to continue to get the job done. They have to get that integration right on Red Hat. So those are the risks. It's not, "Hey, close my eyes IBM it's great." No. If this management team performs, if they do what they're supposed to do, this stock can go a lot higher. I even think it could double from these levels. As crazy as that sounds, it'd have a $250 million market cap still. I mean, not even comparable to Microsoft or Amazon, which has market caps of over $800 billion. So I do see a lot more upside in IBM.

Now, let's take one more question here. This is from Chris.

Goes, "Frank, your STO is really exciting. I'm a private investor, can't wait to take a look at your white paper. But my question is: what is your biggest fear about your new venture? And the security token industry as a whole?"

Those are great questions. Because, when you get excited about something and if you notice every time I talk about the tokens I'm telling you, hey, you know what, they're all risks, of course. They're business risks. We're just using a different way to raise money, which is really exciting. It's going to give us access, I believe, to a lot of more security tokens because we know this industry very, very well and what it takes to bring a product to fruition. Which takes a long time because just lawyers, accounts, fees, structuring a business this way. But, at the end we're raising money and we need to, once we raise this money … After we raise this money, or once we raise this money, we're still a company that has to grow. We're confident we can.

So, we know the formula that's produced so many $100 million plus financial publishing firms. I think it's funny because I say, "So many," but there are probably a good five, six divisions, I think, I can name that appear to do over $100 million in sales. Or did it last year. I think every single one of them is under one company, though. Their just different divisions. So it's really one company, one major competitor a lot of us are working for. We know the formula, but it's not just taking a formula and copying it. We know how we can improve it. By doing stuff that we think we're better at.

That's what you want to do as a smaller company, because we know the bigger companies they're going to have more cash and that's why we're raising money. Because we want to be on par, where if we have good ideas to sell products we bring on a big analyst. We bring on whoever it is, you know former CEO of a technology company wants to write a newsletter and we bring him in here we want to highlight that to the world. You can't do that unless you have money to spend on marketing. That's how you grow your business. Our competitors do have that.

So that's going to put us on part, but as smaller companies you want to say, "Okay, what could we do better? Like the little things." That's what you want to look at. Just in any business if you're competing with bigger people. For us we do a lot of live stuff, right. So there's a lot of writing and you get emails, you're not seeing a lot of live stuff where that shows credibility. Mike Alkin just ... We attended the VRIC, the Vancouver Resource Investment Conference last week. The week before he did a presentation there on how the auto sector was going to collapse. He was saying Sharp, Goodyear, he even had an option strategy. You know, he nailed it. I mean, look at all those companies have gotten crushed. It got over 500,000 page views. That's at the conferences.

So, we have analysts going to conferences getting on presentations. Getting it out there, showing the credibility out there. Some people do this, not everybody. We're going to use our extensive network, I mean I built this in 25 years interviewing some of the great guys on Wall Street through my podcast. But that's important. Using that network, understanding how we could bring great people into our company where they don't have the network that we have in this industry. Because our Wall Street guy, a lot of these guys have been writing sitting behind a desk all their lives. Some of them, not all of them. But we haven't. We can get real people that you're seeing. Great quality people that are on TV that you're familiar with that may want to start a news article. We're seeing that. We're bringing on the hedge fund guys starting newsletters because they're sick of the industry. Where are you seeing that?

Guys work for multi-billion dollar hedge fund that you know those names, those great guys. You know, they learn from the best. Putting great people in front of you so you could make money. That's what the financial newsletter business is supposed to be. Yes, it has to be storytelling, and it's got to be interesting things. We get it, but at the end of the day you want to make money on these positions. From what we're hearing a lot of people aren't. We're going to get things wrong sometimes, and we'll tell you we get them wrong and how we could do better. I mean, that's our job. But overall we better be right more times than we're wrong, or we shouldn't be in this business.

We're looking at putting our original content, why we have original content because we're in the field almost all the time. I mean, I'm exhausted from mot just starting this business, which is cool. Don't feel bad for me, I'm fine. I like it, I like what I'm doing and I'm doing it for myself. Which is fine. But, you know, I've spent probably two and a half weeks of this month already traveling. CES, Central, every place just … The VIR in San Francisco in November. You know, from Florida it's not the easiest trip. It's going to the West Coast three times, I think, in the last three months. Speaking at these conferences, but talking to people face to face and finding those great ideas. That's how you find the best ideas, not sitting behind a desk.

I mean, our podcast how many people are doing podcasts in this industry? They all try. I try to help them, they come to me and ask me, my competitors. And that's fine. I'm there. Listen, you have competitors but you know in the end we're going to be partners probably and do different things together. That's fine. I tell them, and I'm straight up with them. I said, "Here's how you do it, but you're not going to do it. You're going to probably do it for four months and then you're done." Because I tell them, "You cannot miss a week. It's like a TV show. If you miss a week or two weeks, then just forget it exists and it's gone." So, there is a level of commitment, but this podcast what does it do for me? It forces me to be on top of the markets. I mean, we're talking about STOs, we're talking about technology, in just this podcast alone. We're talking about defense stocks.

So, I've been fortunate to work for so many different people where we cover all the industries, we're looking at sector, stocks, the economy. Being able to talk about a wide range of topics that are going on right now. Be relevant right now. Having a great network of people takes your every single week. That's hard to do. Because I've been doing it for 10 years and

Alkin's been doing it, and he's into it. He's doing great in his podcasts as well. Because it requires, when I interview these people it's my responsibility to know everything about them. It's very important. Research every one of them. It doesn't matter if I don't agree with their investment style, and I'll bring that up. I'm not there to attack them, I want to know why. How is this successful? Because how can I learn from that? How can I get better? Because you have to be able to change.

You have to be able to adopt different things. You can't have the same methodology. When people say, "Oh, margins are always going to fall back to the mean." Well, we have the internet now. You know how productive we are today compared to 10 years ago? Compared to 20 years ago? I mean, business could be done totally online now. I mean, it's our business where digital marketing and online. Back in the day sent out printing, you got to go to the printers, you had to send out first class mail to newsletters. You have to understand that the markets change, style change. I mean, look at David Einhorn who I think is a brilliant guy, but the last five years he's gotten killed because he's a value investor that refused to under … I won't say understand, but you see a lot of guys out there that will buy the Netflix's. That try to say, "What am I getting wrong? How come I don't want to buy Netflix, or Amazon at 60, 70 times earnings? Which they've been trading the same 60, 70 times earnings 15 years ago and they're up 10s of thousands of percent. But, why? Like learn why am I missing that and then you'll understand how Netflix is disrupting the whole entire … Everybody's trying to compete with Netflix. It's not the other way around. It's not like Netflix is trying to compete with the cable companies.

Anyway, getting back to the guest part. You're learning about them. You have to do your research on them. You know why? Because after I interview, I love the fact that they're like, "Wow, that was a fantastic interview. You really … " Because I am put the effort into reading everything, they wrote in the last six months. Not only am I learning but it turns out to be a good interview and what does that do? Well, that guest is going to want to come back on forever. That guest may be a technology specialist, a specialist in biotech, and something comes out with biotech where biotechs going up or down. I can call them and say, "Hey, they just went to the J&P Morgan Health Care Conference. Can you give me something?" "Sure, Frank." "Awesome."

But not only that they become a contact for life because they have their own set of networks. If I'm interviewing someone who's a specialist in biotech and I'm recommending a biotech company I'll give them a call. "Hey, what do you know about this company?" "I love it." "What am I missing here?" They may know the CEO and say, "Frank, here I'll hook you up with the CEO. You can call the management team." Or, "I covered this five years ago. It worked, it didn't work." Whatever. But, that's one of the things we bring to the table. It's information, it's content. It's how do you get it, like this. That's why it's so important.

But this are the things, just a few of them, that we bring to the table and how we can expand our business. That's why we're exciting. But also you're talking about the fears of this industry. For me, it's being able to explain in layman's terms the massive opportunity for investors. I'm not just talking about our token Courtesy Equity Owners but for the entire industry.

Because when I was at the Vancouver conference a young kid came up and he was kind of like debating with me a little bit. We had a back and forth. He's like, "Oh, you know, if Bitcoin crashes you're going to crash." I said, "Well, it's going to be more you have an equity ... " See, he didn't understand what equity stake was because he was young. It's fine. We went back and forth, and I said, "Listen," I said, "Here's my email address." I said, "Email me," I said, "Because obviously from me I'm not doing a good job explaining this to maybe the younger generation, which I could learn from. And I could also learn from someone like him who's been in the market for a long time." But, the fact that he was one of the few that didn't understand comparing us to the ICOs and stuff, and how terrible they are. I'm like, "Are you getting an equity stake ... "

So, for me the challenge is, I don't know if it's a fear but a challenge is you want to be able to explain this entire industry. It's a mean industry because ... Look, I just mentioned I came back from the CES. It was great, I found tons of ideas. But there was little innovation. Everything was about improving AI, bringing 5G to the market finally. They've been talking about it for three years. Finally it's coming to the market 2019. There's more smart home devices that connect to Alexa. We connect and create more smart cities. We're going to bring autonomous vehicles finally to the market. Trying to bring these cars to the market. Here's the technology. Talk about eSports, bring virtual reality and augmented reality also to businesses around video games. Because this are trends I've been talking about for how long? For many, many years. Because I've been going to this CES all the time. But there's nothing innovative about it. It's improving these secular trends.

Tokenization is new. It's innovative. It's going to change the world. It's an idea that makes sense. It's like Uber, once you use an Uber you're never going to use a taxi again. It's cheaper, it's safer, you can talk to your driver, you name it. It's going to disrupt numerous industries, especially the investment banking industry. A multi-trillion dollar industry, and I'm coming to that number by talking about every merger, acquisition, capital raise over the past 10 years. An industry that hasn't been disrupted in hundreds of years, which is amazing to me. We look at crowdfunding, like ICOs the original, that's a crowdfunding. They're not getting the equity stick. Indiegogo, Kickstarter that offer zero equity on their deals. Gone.

Tokenization had $300 trillion in assets, like real estate, collectibles, bonds markets. Just liquid assets can now be tokenized. What does that mean? You're selling off a portion of these assets to individual investors. It's a win-win for everyone. For us investors it's, you know, you can have access to some of the greatest assets like commercial real estate. You could never invest in commercial real estate. You could never invest in some of these bonds. Now you can through tokens. A painting from a legendary artist, say it's something that's 20 million plus. They could tokenize a portion of it and sell it to individual investors. Yes, you're not going to be able to take that painting and put it on your wall, but you own an actual equity stake in it. 10 years you could sell, you could sell ... But that equity stake is going to be traded on the market as a token.

A Babe Ruth rookie card, yeah you have it. It's cool. You show your friends, that's awesome. You know what? The value, say you have it for a long time it's, I don't know what it's valued. Say it's valued at a million dollars. Maybe it's more, I have no idea. But, you could sell 20% and now individual investors could say, "Hey, you know what? I own a Babe Ruth rookie card." Again, that person's still going to own it. They're going to have it. That's fine. But, you have a stake in that and that's pretty cool for the asset owner, right? It's a way for them to bring in cash, sell off a small piece of an illiquid asset without the need of hiring an investment bank who creates nothing. They just introduce you. "Hey, we have a lot of people at our firm that make a lot of money. This is great. Yeah, they have all this money in our accounts. Oh, you have an idea? Cool I'll sell it to you." Then charge you 6-15%, some of these firms charge. Some are going to also ask for equity. Which is insane. That's one of the few industries that hasn't been disrupted. With the banking industry. That's just crazy.

I talked about how this industry is here, not coming. We're here, right now. St. Regis Aspen Hotel just tokenized a portion of its hotel. The first NASDAQ listed company, which is a biotech, is tokenizing their biggest asset which is a promising cancer drug in its pipeline. So you don't have to buy the whole freaking thing, you could buy the most promising asset of it. That's cool, I'd want to own that. I don't want to own the nine stocks in your pipeline that are in clinical trials that you're going to need $400, $500 million to push them through trials and hope you get a partner from a major pharmaceutical. No, it's cool. You have one through phase two, which is looking fantastic. That's cool, I like that.

Andy Warhol had one of his paintings sell at auction two months ago, three months ago. They tokenized 31-1/2% of it.

That's pretty cool. So if it bought at five million and tokenized 31% of it for 1.67 whatever. But those people own a stake in it. This industry is here. Even the former head of NASDAQ, the former head of NASDAQ who knows probably more about deals than most people. Robert Greenfield, here's what he said, "100% of the stocks and bonds being issued on Wall Street today could be tokenized. In five years 100% will be tokenized." Think about that. That's insane when you think about that. That's innovative, that's disruptive. You might think Robert's crazy, 100% what is he talking about, whatever.

But last week ... Not even last week, like three, four days ago IBM announces partnering with Securitize. I mentioned Securitize because we're a partner with Securitize helping it launch our token in a few weeks. Spent a lot of money to use the best people in the industry, the best lawyers in this industry. Because it is a new industry. But, IBM just announced with Securitize that they're going to accelerate a program to tokenize the $82 trillion corporate dent market.

Guys, it's here. This trend is here, it's now. Nobody's talking about it. Nobody realizes it. That's what you want to see as investor. You could be early into it. But for us a lot of companies are coming to us saying, "How do we do this? How do we tokenize?" That's going to give us an opportunity that, hey, introduce them to Securitize. They will be consultants on something else. You know, we got to see the legal aspects of that. But, more important is it's going to give us a chance to invest in a lot of these things on the ground floor where they offer bonus tokens, they offer discounts. That's what I'm going to provide for my investors. Especially when they're looking at our crypto intelligence newsletter. I mean, having access to that.

Imagine that, I feel like a venture capital fund. Okay, we're not investment fund guys. But, I feel like we're one of those venture capitalists during the internet boom when you were going to these guys, all these deals went to these and they were able to see these deals and get a lot of these guys in Twitter, Facebook during the private rounds. During the early stages. That's how you make a fortune. Now you're on par with Wall Street. Now it's a different game. Here's how you, I won't use the F word. be investment banks. I'm getting you guys involved in these deals. This is the way investing should be. A level playing field. That's what this is providing.

Yeah, it's innovative. It's disruptive. I've been doing this for over 25 years in this business, guys. I never, in my life, saw an opportunity like this. You know I'm not blowing smoke up your, again I don't want to curse because sometimes it gets labeled and it might not post right or whatever, we got to X it out. But I'm not blowing smoke up your you know what because I'm basing my company on it. My reputation on it. I'm doing it. I'm not saying, "Wow, this is really cool guys." And sitting behind a desk. "This is how you're going to make … " No. My entire company, I could do a traditional private placement. I have great contacts in it. I want to be involved in this industry. This is how I do it.

Anyway. About two weeks away from launching. The offering is available. I always say credit investors, and that's the way it is. That's the way it has to be structured right now. But after one year, guys, anybody … All Courtesy Equity Owners token the symbols going to be CEO. There's going to be free trading for anyone to buy. Now once this happens, and hopefully raise money and this goes well then I'm going to tZERO. I can go to Coinbase. We have everything through Securitize saying, "Here's our clients. Everything's registered. Here's the … Here, we want to trade on your platform." That's going to provide massive liquidity. Even if that doesn't happen, Securitize guarantees liquidity for your token after 12 months through a company called Bank Corp.

So you're going to be able to buy and sell it. I'd rather be on exchanges, that's my job to negotiate with them. When we do, to the investors I'm going to announce that and say, negotiations with tZERO, negotiation with Coinbase, OpenFinance. Those are three out of the dozen exchanges that are just going to trade digital tokens and they're going to be regulated in the US. Where you can put money in there. It's not where you have these crazy ratios between how much Bitcoin to buy this. I've got to transfer Bitcoin to ethereum. They don't accept ethereum. No, none of that garbage. It's going to be similar to E-Trade, to Ameritrade. That's what's coming.

Now you can have any company in the world willing, if it's a good idea or if it's not. If it's a good idea that anyone can tokenize their assets, but you're not going to go through the hassles of the cost, which is much cheaper. Compared to doing it through your investor bank route. But a lot of these people are going to come up with good ideas. Here's my business plan, here's how I explain the business. We're going to have access to a lot of that which is cool. We're already seeing it. Lots of companies reaching out to me saying, "Hey, Frank, how do we do this? Wait a minute, explain this to me." Okay, they're waiting for us to launch, right. Make sure everything is cool, it is a new industry. But you're going to see it over the next three months. Over the next six months. This is going to be the talk. They're going to be mentioning us on CNBC, they're going to mention us anywhere.

Even the smartest people I know in finance have no idea about tokenization. When I explain it to them they're blown away. It's going to become mainstream, it's not even close yet. But, it is an amazing investment opportunity for a lot of people. And, again, I'm putting my reputation and basically0 my entire company on it. So that's why I'm so excited.

But you're asking about the fears, sorry to go a little off there. My job is to explain how this industry is not what happened in the past. It's not the cryptocurrency initiative that's getting killed. So we have to do a better job explaining that. I have to do a better job explaining, "Hey this is for real," and provide more evidence like the recent IBM deal. St. Regis, Andy Warhol. There's many, many more deals coming out that are in the works right now. That provides evidence, that's just credibility. Wow, this thing is really happening. Yes, it is happening.

There's people working behind the scenes, and the investment banks are also behind the scenes because they know this industry is threatening the foundation that they've been built on over 100 years ago.

So you're going to see NASDAQ come out with a token exchange. These guys already saying it, they're meeting with congress saying, "Okay, when are you going to regulate this because our fiduciary responsibility is to our investors and we don't want to invest in something that's unregulated." So we have to make sure that the exchanges are regulated. That the industry is smooth, people trust it. The platforms that you're using are safe from hackers and if they do get hacked just like any other thing that you have insurance and investors' money is going to be safe. You need that. You need to know that if your making capital gains every investor understands they have to pay the IRS if they make capital gains. That's normal for any asset for any stock. That's the way this industry's got to be. It's coming. It's coming very soon to brokerage firms. Actually, it's here now.

So, something I'm very, very excited about. Two weeks away from launch. So, which we'll market if everything goes well. Worked hard to get this in place. I'm really excited, guys. Because, look, I don't get excited unless it's deals that we could all make money together and that's what I'm looking to do. It's not something ... I'm not doing this, and you'll see by the structure of the deal you could tell that this isn't something I'm doing in the short-term. This is something where I want to be one of the largest [inaudible 00:35:08] industry compete with the big guys. Bring out that advice to everybody. Great content. Get our name out there.

Because everybody that does come to our platform, listens to our podcast they tend to pay to our services because they know we're out in the field. They know we're working hard. They know they're getting original ideas. They know that we're honest. When we're wrong, we say we're wrong and we look how do we get better? But at all times we're there for our clients. We're going to tell you what to do when we're wrong. That establishes credibility. That's why I've been doing this for over two decades. You don't do something for over two decades unless you have great customers, and you're really good at your job.

So guys, that's it for me. I want to thank you so much for listening. Love you guys. Traveling going to ease a little bit now, which is really cool. So no reason I shouldn't be on time. Couple days late here and there because we're traveling, finding new ideas that I wanted to bring to you. Took a couple extra days to write some of these things up. But listen, thanks so much for listening. I really appreciate everything you guys do for me, and support us. And, have a great weekend. I'll see you in seven days. Take care.

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