



Frank Curzio's WALL STREET UNPLUGGED

Announcer: Wall Street Unplugged looks beyond the regular headlines heard on mainstream financial media to bring you unscripted interviews and breaking commentary direct from Wall Street right to you on mainstream.

Frank Curzio: How's it going out there? It's January 9th and I'm Frank Curzio, host of the Wall Street Unplugged Podcast where I break down the headlines and tell you what's really moving these markets. So, I hope you follow me at Twitter right now since I'm at the Consumer Electronic Show, which is awesome. Be sure to listen to next week's Wall Street Unplugged Podcast. I'm sharing everything I learned using a ton of new ideas, new trends. Of course, my best ideas are going to be reserved for my paid subscribers, but I share a lot of pictures and scenarios. Hopefully, you all follow me on Twitter.

But it's a huge opportunity, guys, because for the first time since I can remember there's tons of tech companies with great technologies that are growing, that are innovating, that are also trading at 30% to 40% off their highs after this massive sell off. I mean this market, I'm being dead serious with you, I'm seeing more opportunities in terms of individual idea, not just in tech, in a lot of different sectors, all over the place.

I mean, I would say since the credit crisis pretty close. If I had to guess, [inaudible 00:01:36] the crystal ball here, we're pretty close to a bottom right now. Look at the factors that pushed us lower. You had tariffs. The president and China they're going to meet, and they're getting much more serious because they talked about tariffs a lot.

To China, they better come up with a deal because they're in a recession. They're gonna get into a depression. Not in GDP, but individual sectors, housing. You saw the auto numbers come out, worse than whatever. 60, 70 years everything is totally crashing, and

now we're seeing it impact the US as well. Right? Even with Apple, one of the biggest companies and China's, whatever, terrible. And they have even more problems there with patents and stuff like that. But they're going to get together and say, "Okay, we need to figure this out." And it's going to happen in the short-term and they are meeting really soon.

Then, one of the other things that pushed us down is the Fed. The Fed come out with blinders on and said, "Hey, we're raising a raise. We don't care." And everybody expects that policy to stop right now immediately. Well, in December. And they said, "No, there's going to be two more read out." And that really, I mean look at the volatility you've seen. More volatility you've seen during the holidays then probably ever. I mean you're looking at massive sell offs too since that meeting took place.

But you're looking at what the Feds say. What did they say? They have been like, "We're going to raise rates twice next year." I don't see that happening given that inflation has tailed off when you look at the numbers and plus the huge risks we're seeing in the global markets. So, even if I'm wrong and they do raise rates twice, 2019 is going to be the end of the tightening cycle.

Now, I don't care if you agree with it. I don't care if you're well, "Easy money policy is got to go higher." I don't care. I don't care. You can look in the mirror, fight with yourself, argue with yourself, take to social media, go crazy, whatever. My job is to make you money. And when this Fed stops raising rates the market is going to move higher. And in fact every single tightening cycles where we had tightening cycles when the Fed's raising rates, where we didn't have a recession. And we're looking at about four or five periods of the last 25 years.

Almost every single time the [inaudible 00:03:48] was marked when the Fed stopped raising rates and they're

going to stop next year. Regardless, they raise twice or not I think it's going to be a lot sooner than later and we're already seeing some of the Fed presence come out saying, "All right, we should stop raising rates. It's a little crazy." We're seeing it right now based on the data. And that is going to happen.

Since there's not much evidence of a recession, right now or coming. Look, I'm a data-driven guy. I'm not just, "Hey, a permabull, permabear." You look at data. If you look at unemployment, wages are still raising. You look at housing, manufacturing, yes, we're seeing these areas showing signs of a slowdown. It's an economy that's cooling off, but it's much, much different than a recession. Why is that a big deal? Because our stock market should be trading probably around 16 times earning instead of 14 times earnings if we're not in a recession.

I mean, looking at this, we should not have 20% of the S&P 500 trading below 10 times earnings, which is incredible. So, we're close. I'm not saying go all in. Again, we know that those [inaudible 00:05:01] they can stretch a lot further. Never do, but I start picking away here. Take some small positions, some of your favorite names that are down. 'Cause remember, one of the biggest things is you don't want to hate the company, you don't want to hate the stock market. You want to hate the price that it's trading at.

It's not personal where, "You know, I was talking negative about Apple." Everyone is saying, "Well finally, the estimates that came down at 181." They didn't come down. There was a one sale rating from the analysts on the stock heading into the last warning or 40 hours covering. Their average target price was 220 which is 30% higher before the stock fell 10% if they warned last week. But start picking away at some of these things.

I mean, there's a lot of stocks where ... Look, Apple wasn't crazy about it at 220, 200, 180, but it started attractive at 160. It fell below 150. It's not just Apple. There's a ton of industry leaders down 30% off their highs just over the past few months. Some of them deserve it, a lot of them don't. Trading at 10 times earnings, paying over two and half percent yield, and they're growing. They're growing their earnings 7%, 10%. They're growing sales 5%.

It's not a recession, but you're going to find lots of ideas and the risks that brought us down. They're probably going to not be around at least over the next three months, six months, so we're pretty close. It's like I mentioned. I'm at Vegas right now finding some great ideas for you to see, yes. But as always, I did put together an amazing interview for you, and I really mean it. It really is amazing.

Just before I left, my guest is Robin Sosnow, who is one of the top lawyers representing the digital token industry. She also specializes and represents early-stage businesses, online investing platforms, funding portals, broker deals, engage capital raising, runs her own shop. It's located in New York City. Also has a joint partnership in a company called Digital Securities Law Group that specializes in digital tokens and blockchain where I got the chance to meet her face-to-face in New York City which took me like 20 minutes of security checks to actually get into the Trump Tower, which is awesome. Yeah, it's near Wall Street.

But I've worked with her personally to get our security token to where we are right now, which is a ton of work. It's just a few weeks away from a launch and the work that she had done for me for Curzio Research has been absolutely incredible. So I want to bring on Robin on to hear, not to hear, but for you to hear from a third party instead of me talking about this theme security tokens and how big it is. I want you to hear from somebody else. It's

important that you start researching this industry because it's not going to happen. It's happening now like the stories that are coming out.

We're going to cover a lot of things that are going on, but what she's seeing in the security token industry it is absolutely amazing. We want to do this, they comes to her first. Obviously, she's not going to tell you the companies and things like that, but you're going to see the massive demand and some of the amazing stuff that's happening, especially over the past three or six months. So many news stories have come out, they've been lost. The market crash and no one's really talking about it but absolutely amazing stuff including one company that trades on the NASDAQ with a 250 million dollar market cap. Been on NASDAQ for 10 years that just securitized.

One of their drugs [inaudible 00:08:22] the promising cancer drug. So that's gonna come out its public that happened, but you get the name of the companies and stuff like that in a couple weeks that is interesting. So you have companies on the NASDAQ. You're looking at mining companies, looking at Bio-Tech companies. That's pretty cool if you're able to take out, 'cause when you're looking at Bio-Tech or a mining company you really want to invest in their prime asset. You don't care about the rest of the garbage. And now you're tokenizing it your stake in that, which is an equity stake, is tied to their best asset instead of their whole company.

That's an interesting concept. A lot of this stuff is happening. She's going to break it down also explain the difference between crypto 1.1 which was capital raises for utility tokens and how that's totally different compared to what's taking place right now in security tokens. It provides equity ownership invest in that back by actual assets. So guys this is kind of an exclusive. I don't think Robins in a lot of media, at least that I know of, but I want to introduce her to you because after you hear what she

has to say you're going to see why I'm so excited on this industry. Why we're launching our own security token, but more important for you.

I know there's a ton of small business owners out there listening to this podcast. I hear from you all the time. You email, it's great. FrankCurzioResearch.com. A lot of you say, "Hey, you know our companies are growing. We're doing well." She may end up being a fantastic contact for you if anyone looking to raise cash through security tokens. And it could be a great contact. If not, it's fine, but I built it up enough so without further ado here is my interview with Robin Sosnow. Robin Sosnow thanks so much for joining us on our podcast.

Robin Sosnow: Hi Frank it's great to be here.

Frank Curzio: Thanks so much for joining us. So you're a first time guest and you've been an advocate of equity crowd funding. The Jobs Act. Helping companies who are looking to raise money pretty much since 2013. My question to you, which is a pretty good introduction for the audience out there is how did you get so caught up with digital tokens because, before I hired you I talked to a lot of lawyers and I'm gonna be honest they don't know 1/10th of what you know. How did you get so caught up in this industry and when did you see like this huge opportunity within it?

Robin Sosnow: Frank thank you so much for the compliment. It's nice to hear, 'cause as you know I'm still relatively young person, but I've been very involved and a huge advocate for the Equity Crowdfunding since the Jobs Act first passed in 2012. It's really my experience in Equity Crowdfunding that lead to my involvement in the digital security industry. So, if we flashback to the Fall of 2017, I was running my practice, Jobs Act lawyer and I was reached out to by a gentleman who's a very good friend of mine now who worked at the time at a really big law firm. One of the big international firms.

And he said, “Hey Robin we know you’re the Jobs Act lady. No one in our firm has ever worked with Reg A+. Could you come in and talk to us about it?” So I did and as I got to know this gentleman more I learned that while he’s a security’s lawyer like me his background and interest was in the blockchain space. So what was so cool about this Reg A+ field that I was getting brought in on was that not only were they using one of the Jobs Act exemptions, but they wanted to tokenize a share under, in the way that they were structuring their offering.

And for me that was the beginning of my STO journey. Prior to that time I had really just been a bystander and a personal investor in crypto currency. But I hadn’t had the opportunity to work on the digital security side of the space until then.

Frank Curzio: Now that’s interesting. And real quick could you take us through in layman term really quick because people learning about this for the first time and I have a lot of small business owners and people have been asking me about security tokens now that I’ve been talking about it. And now we’re launching ours pretty soon. Could you talk about what Reg D, Reg A and Reg S are? Like just briefly because we say those all the time a lot of people are getting that. Especially me, I know every single word and what they are, but just to bring everybody, put everybody on the same page.

Robin Sosnow: Absolutely. So if we zoom out we’ll see within the security’s base that any private company that’s raising capital either needs to register their security offering with the SCC. Or they need to identify an exemption from registration to rely upon in their offering. That’s where Reg D and Reg S and Reg A+ and Regulation crowdfunding come into play. Reg D is probably the most widely utilized private place exemption. It allows companies to raise unlimited funds from, essentially and unlimited amount of credited investors.

With the caveat that most companies choose not to go over the 2000 investor limit. And with the Jobs Act Regulation D was liberalized to permit general facilitation. Which means that companies now can go on stage and pitch and put out their investment opportunities in newsletters like yours. They can put it on their website. They can put it on a billboard. They're free to communicate the investment opportunity to the public. Regulation A+ did exist prior to the Jobs Act under Regulation A. But it similarly was liberalized and made easier to access. So now under Regulation A+ companies can raise up to \$50 million in a [inaudible 00:14:32] offering. From both accredited and nonaccredited investors.

Which means that their customers or end-users and their products or services could potentially become investors and brand ambassadors for them as well. Reg A+ is a different type of exempt offering because it needs to be qualified by the SCC in advance of the offerings launch. This typically adds a significant amount of time and cost to issue or who are seeking to utilize this exemption. And Regulation Crowdfunding which is title three of the Jobs Act enables companies to raise up to a million 70000 from the retail public. From both accredited and nonaccredited investors. And this exemption is typically used predominantly by [inaudible 00:15:21] companies, but interestingly some more developed companies that are conducting STOs are also looking for this exemption to bring in the little guy.

Frank Curzio:

And then, I mean it's funny because this is unscripted guys and it's funny that you know, those are great definitions compared to, I was like, "Hey Reg S is just international and stuff like that." So no that's pretty cool. Thank you so much for clarifying that because that's one of the things that sometimes we make mistakes even as newsletter writers. We just assume, "Hey we're talking about things that everybody knows about," but you put everyone on the same page and that's what I wanted to

do with this interview because even when I'm getting questions and a lot of people out there.

They were investors in crypto currencies. What's the difference that you see because you've been part of crypto 1.0, whatever you want to call it, where utilities tokens and these companies are the talk of the town. Everybody wanted in and now people started to realize that most of these companies will actually never be companies and they don't have the regulatory structure in place. You're not getting equity stake. They're tied to nothing. When did you see like the switch taking place from utility tokens to security tokens 'cause I think people may look at this and say, well security tokens that's crypto and the whole crypto markets crashing, but it's really two totally different things.

Robin Sosnow: Right. I mean they certainly are completely different value propositions. Utility tokens represent functionality within a platform whereas security tokens represent ownership of real world assets interests and funds. Equity and small businesses or even debt. So it's a completely different value proposition for security token compared to the crypto craze of 2017. To answer your question when did I see the shift as a practitioner you know I come to the table with the regulatory lens or the risk mitigation lens. And I actually have a newsletter myself called the Crowd Crypto newsletter that we started putting out a year ago January, but it's highlighted the regulatory evolution. The crypto industry as well as the Crowdfunding industry.

So we saw throughout 2017 and then 2018 that SCC through enforcement and through informal speeches and remarks started to crack down on ICO. And one of the, I guess I'll give one illustration of it. There was a security instrument called a SAFT, Simple Agreement for Future Tokens. That was widely utilized by blockchain companies in their ICO. And many of these companies chose not to utilize or comply with the securities exemption in the sale

of the SAFT. So they raised money in exchange for SAFT and they told people when our network is built you'll get the token.

Some of them distributed tokens and some of them didn't. The SCC saw this activity and they said, "Well these SAFTs are security. So what security exemptions were complied with?" And in many cases there was no compliance. There was a public sale. There were non-accredited investors. There was no AML, KYC. There was no accreditation verification. You know these were just security transactions just off the cuff. And as the SCC's job is to protect investors in the United States they came down on many of these offerings through enforcement actions and the requirement that these companies rescind and reimburse investors for their investment amount.

Frank Curzio: And when you saw in terms of this whole entire industry, right? Because what we're looking at, again, this massive shift are you getting questions from people on the outside like worried about saying, are they having trouble understanding what the difference is between these two whatever you, tokens or ways of doing business within the crypto industry? Are you getting questions on that? Are people understanding these or is it still, there's a level of education that we really need to explain to people that this is maybe the way it should of came out in the first place.

Robin Sosnow: Absolutely. There is certainly an educational component that's still needed even in the Crowdfunding space it's now been live for almost seven years there's still an educational component that's missing. So I wouldn't expect it to be any different in the STO industry today. It's just something that we all collectively have to make an effort to bring awareness and education to people who are trying to get involved so that they can make educated choices. And strategic decisions for their businesses. One of the biggest questions that I get that really surprises me is when companies are looking to conduct an STO, but

they're concerned that the STO is illegal or that there's not clarification as to how an STO should be regulated.

And just frankly when a company is raising capital in exchange for the sale of security whether that token represents an underlying asset or it represents preferred or represents a Rev Share there is a clear security transaction going on. And there are, as we've discussed earlier a boat load of securities exemptions that the company can consider. So provided that the company chooses one and applies compliance principles that are set out under it there isn't too much regulatory uncertainty in the transaction.

Frank Curzio:

Where does regulatory uncertainty take place because I was going to cover this in a little while, but let's cover it now since we're into it where are you starting to see the institutions, 'cause wherever I read and even the circles that I'm in and you have those circles as well within this industry where Goldman Sachs the investment banks. You're seeing hedge funds. These large funds have fiduciary responsibility to their clients. They can't just jump in because there's still not enough regulation within this industry.

One are you seeing, 'cause what I'm hearing out there is these guys are ready to jump because this, I mean this industry is really threatening their business model. Right? It just makes sense. One are you seeing that and what kind of regulation do we need? Because for me and the way I've been explaining it Robin is you need to have it sort of like an E-Trade where you can go on. It's easy to trade. You know your money is safe. You don't have to worry about it. I mean what are we looking for the SCC to come out and finally like put their stamp of approval? Just provide the rules in place where it looks like the institution that's what they're waiting for and, not that they want to, they need to get into this industry. Because they're probably going to lose a lot of business if they don't.

Robin Sosnow: Sure. So in my opinion the clarity or regulation isn't needed to be change or enhanced at the issuer level. I think that we have enough regulations as it is that govern the issue into private security. And I'm not looking for any additional regulations on that front. Maybe less or the liberalization of some of the ones that we're working with today. From a kind of overall perspective I think that we could, if we could see more at the exchange level we have one exchange that's currently operational and that's Open Finance Network. The secondary trading platform for security tokens are going to be in my opinion the place where the regulators should focus.

That's where the secondary trading will take place. Where any required disclosures from the primary issuance company will need to be made. Where the resale transactions will occur. And the fact that we only have one operational secondary trading platform to date is not concerning, but certainly not fueling the growth or adoption of the industry.

Frank Curzio: No that makes sense. And from being in this industry, yeah again, just learning everything I can especially over the past six months as our tokens come out. Curzio Equity Owners you know there's over a dozen exchanges that are coming out over the next 12 months. Does that provide a good, 'cause for me, I see that as an added benefit because we have to go the accredited investor route in terms of us raising money. And there's a 12 month lock up period. But over that 12 month lock up period I think is really good to the point where you're gonna see more exchanges launch. You're gonna get more opportunity. You're gonna see what comes out with the SEC.

I mean the next, you know at least three to six months you're gonna see a lot more clarity. Right? It's gonna be a lot more transparent, but I guess it's kind of a good thing right? With that 12 month lock up period because from what I see there's lots of exchanges that are going to be

launched and they're going to be SCC compliant.

Robin Sosnow: Absolutely. I mean in my personal opinion this is the time to launch because as you mentioned and the framework for these and the opportunity to list with exchanges is only going to increase in the year to come. Adoption will continue in 2019. Some people will say that this is the year of the security token. You know so if you're intending to launch an STO as you know Frank, it's a multi month test process.

You're required to engage with you know, at least, it's highly recommended that you engage with reputable members both on the legal front, the accounting front and on the technology front for who's going to actually build your token. And then building the right relationships at the exchange level to facilitate listing in the future if you're able to take those steps when the time comes.

Frank Curzio: Now moving on from here and thank you so much for clarifying that 'cause I know that's a lot of questions that I get so hopefully we're addressing a lot of those guys for you. You know I'm extremely excited about this industry. My [inaudible 00:26:04] as people listening I know 'cause I've been talking about it for the past few months and we're getting closer to a launch which, again, I mentioned on past podcasts. Was there a moment for you where you said, you're just learning about this industry and getting into it and you're seeing security tokens. It's all learning right? Because it's just a new industry.

Was there a moment where you said holy cow? I mean this industry is gonna be, you know, 100 times bigger than I thought or you didn't realize how big. Was there anything that you saw or anything where you're like, 'cause again so your firm is like, "Hey you know let's cover this." But over the last three to six months and the stuff, especially over the past few months it's kind of remarkable that this trend is not coming it's here. You're seeing people do it

now and relisting tokens. I'm just curious was there a moment that you saw where you were like, "Whoa, holy cow I think this things really gonna be big."

Robin Sosnow: There's been a few. When I started to learn about blockchain technology itself I became very inspired by some of the core values that are ingrained in the concept and philosophy behind blockchain technology. Mainly in its ability to create sovereignty for individual and networks of people. So that I guess on a personal level and maybe intellectual level that very much engaged me. Then outwardly I went to a conference in Los Angeles maybe a year and a half ago and a friend, now a good friend of mine named Dan Soschin had put it on, and I didn't know what to expect. He said, "Just come." It was at night. It was at this beautiful theater maybe in Hollywood. I think it was called The Orpheum and he said, "Just show up."

So I showed up and there were a 1000 people who had paid \$100 to be there for like a couple hours performance and a group of gentleman that Dan's associated with called the Crypto Watch had put this on and it was all about education. About bringing together the local crypto community or the community of people who wanted to learn about cryptocurrency. To set up a few panels, to educate them on what the latest current status of things were and to get them involved. These guys were so passionate, the Crypto Watchers, they were so passionate about the space that they were giving out private key to crypto wallet to people in the audience so that they would be able to access their first ownership of crypto currency and start to experiment with what that means.

What it means to be a crypto owner. What it means to send a bit of crypto from your wallet to someone else's or to an exchange and to trade on an exchange. That really got my attention 'cause there was so much energy and enthusiasm in that room. And then the third point I make is when, you know obviously when the market went to the

moon last December it was really something to see. I mean in my life I had never seen any kind of market activity like that before and I watched it day in and day out for months there and it was a really wild exciting ride.

Frank Curzio: Yeah I know. I mean it's amazing where we've come from them too. Right? Where I think even the companies that I've looked at and I probably 100s and 100s of the ICOs where a lot of these companies have raised money based and they have their timelines and this is what we're going to do and these companies, I think it's less than 2% that I've found that actually generating revenue and no one has, I don't think anyone has really been paying anyone dividends and stuff like that. And again, they're not require it. I think back then they would just, the only requirement was hey here's a token for you.

You know with this it's a lot, with security tokens it's a lot different and I guess that leads into the next questions, let's say you're right and the SCC comes out and regulates a secondary market which is what we need. In your opinion what do we need to see happen before this comes being streamed or goes mainstream? 'Cause you mentioned like, "Hey I went to this conference and they were giving out. They were showing people how to do this and how to get in cryptos, but what do you think, in your opinion, that we need to see? [inaudible 00:30:42] comes out what else? Is it education? Is it just having companies that actually raise money that you're seeing are real companies that go higher where they're generating revenue, playing dividends, kind of, I mean is that something that we need to see before it goes mainstream? 'Cause people are still skeptical because of what's happened over the past 12 months with ICOs.

Robin Sosnow: Sure so I think that you really are doing the industry a huge favor with your STO Frank because what we need are more high profile companies utilizing blockchain technology in their security offering. As more companies

take the route that you've taken adoption will, the flock will follow. So you're truly an early adopter and incredible advocate for this industry that we're in. I really commend you for those steps that you've taken.

Frank Curzio: I appreciate that although everyone says, "Hey first mover advantage. Alta Vista and Myspace were first movers too guys. So it is nervous, but it's exciting at the same time. But you know and I was able to get to this point thanks to your help in securitizing just using the best people in the industry, but which have been such a big help and it's been difficult, you know? I mean we were working over the holidays texting each other. Probably New Years and [crosstalk 00:32:04] on Christmas.

So it's been crazy, but I'm glad we're pretty close to this point. And I want to make this balance. Right? So in our security's agreement, right, which we're almost finished with it all right. 'cause I don't want to talk too much about it, but it's kind of like a prospectus where you list all the risks and I ask you a question about 'em because if you've ever read a prospectus it's kind of like a drug commercial where the first 15 seconds they're talking about how good the drug does and then the next 45 minute long commercial is all the risks and everything because you're like, "Hey you need to make sure that you cover your you know what or whatever." But I wanted to ask you what are some of the risks that you see in this business?

Something that could not make this happen? Something, because for me as an analyst when I'm very very excited about something I'm focusing on the risks more than ever because just to balance it out. So what are some of the things that maybe worry you or you're saying, "Wow this could be something that just makes this industry not get adopted as quick as everybody believes."

Robin Sosnow: Sure. So, I work with a partner Simon Riveles under a joint venture firm called Digital Securities Law Group. And

when we're evaluating companies to take on and facilitate, provide the legal documents for their legal security offering. We like to look at a few different criteria and evaluating whether they're a good candidate for a digital securities offering and whether they're a good candidate for us.

You know whether we'll all be a good fit and working together. And some of the criteria that we look at include this stage of the business. So STOs as you pointed out are time consuming, multiple moving parts, expensive processes. And for companies that are really really truly early stage and potentially not operational it's not likely a good fit. So that's the first piece of criteria we look at. Another piece of criteria is the motivation. So is the company conducting an STO because they're conflating it with the concept of the ICO?

Or do they truly understand that by conducting a security token offering they will be giving up ownership in their business. Or they will be giving up a revenue participation in their interest, in their business. Or alternatively if they, for example, have a real estate venture that they'd be offering out a fractional piece of ownership in that underlying piece of real estate as opposed to the ICO context where a company were really giving up nothing. They were giving up access to their network which in most cases they hadn't even built yet.

So we're not as, it's not as crucial to us that the company be blockchain [inaudible 00:34:59] themselves, but that they understand the nature of a security token. And then finally there's quite a big list of criteria, but I'll highlight this last piece which is that we like to see the companies that we're working with are [inaudible 00:35:19] the US security clause that governs and also respectful of the international jurisdictional requirement that come into play when a company is selling securities offshore in another country's jurisdiction.

Frank Curzio: Yeah and I'm listening to this too, Robin, and you bring up some great points where, so when you're looking at the ICO industry and even some of the people that [inaudible 00:35:46] been introduced to when I told them I want do, they're like, "Why are you doing this for?" Because I have a pretty good following. I'm fortunate, I'm humbled where if we did a traditional private replacement I'm confident that we'd be able to raise money, but this is something that's, of course it's good for us where the costs are a lot lower. But for the investor like this makes, I call it Uber because Uber, you can't say a bad thing about Uber.

Right? I mean it's, what I mean that where you compare to taxis where it's cheaper, it's safer. You know the person. You can call them. You don't have to pay them, you just get in and get out. It gets paid through your phone. There's so many amazing benefits where it just makes sense. When I look at this for the investor doing a private placement okay fine you come in. You have \$25000 minimum. Fine. You know, but you're locked up. So you're locked up for a certain amount of period which is an average of seven to ten years and that's assuming that we get acquired one day.

Or we come out on IPO, where this is 12 months later the tokens going to be trading. And then it's going to be up to the investor if you want to hang out. If you don't and I think that's why it's important that a lot of these pay dividends, but to me this, it's almost scary to me how much sense this makes because you're looking at an investment banking industry well what did they do? Well they're a middle man that just say, "Hey okay I know a lot of rich people. You want to raise money okay. Here give me 6%." They don't create anything. They don't do anything. I'm not ragging on them or anything, but with Crowdfunding and going directly to the source and the costs are cheaper. The last thing I think would be liquidity which is, we talked about right in the secondary market of SCC, but this industry just makes a lot of sense to me.

And that's why I'm excited about it, but and I guess it's not really a question or anything 'cause we're just talking about, but that is something that you're mentioning where I'm hoping that regulation does come out. I'm hoping this really goes through, but outside of those risks I mean what kind of demand are you seeing? I know you can't talk specifically about it, but has it been increasing demand over the last six months, especially over the last three months? Are more people approaching you? I mean what are you seeing in terms of wow is it getting crazy? Is it not? 'Cause I want to know this demand as well and again it factors into what we're doing here.

Robin Sosnow: Absolutely. Over the last six months and maybe even safer to say four months there's been just an absolute flood and shift in interest to the security token offering space. So we certainly have our hands full. I was able to make two additional hires to my team in the last few months which I'm really grateful for. And we see this as a major opportunity to serve our clients in a new space. Applying new principles from the Crowdfunding industry and the traditional private placement industry. An interesting kind of anecdote here is that in our crowdfunding experience we work a whole lot with MicroVentures and with Republic and these two regulation Crowdfunding, funding portal, started off in the early days as, well the early days being 2016 as offering traditional securities and these days startup company.

And I'm not sure exactly when Republic Crypto launched, but they not only expanded the types of security that they were willing to sell on their platform, but they actually created a whole second new company to facilitate STOs. Similarly, at MicroVentures who we hadn't done any STOs with until very recently has expanded their service offerings to the digital security space. So adoption is taking place. Investors are noticing. Companies are realizing that this is yet another way to seek out alternative financing outside of the venture community.

And I'm hopeful and optimistic about what 2019 will bring in our STO journey.

Frank Curzio: Yeah me too and it's been amazing working with you through this and we're excited that ours is coming up pretty soon and which leads me to my last question. This is by far the most important because I read on your page that you're the founder of the National Alcoholic Beverage Licensing Lawyers Group. So that's a community of alcoholic beverage licensing professionals across the USA. I was just going to ask you, again, this is very important question, do you get to sample some of the alcoholic beverages before you grant these licenses? I mean this kind of seems like a pretty cool group that you started.

Robin Sosnow: That's very funny. Well it's nice that you brought that up. So I, when I was in school back in the law school days I worked for an amazing lawyer named John [Cannell 00:40:38] who's landmark client was a very famous Spanish winemaker named Jorge Ordóñez. And I very fortuitously was able to not only try many of Jorge's wines, but even go over to Spain and check out his vineyard and dine with him and have the whole Jorge Ordóñez experience. So that chapter in my life inspired me to start the National Alcoholic Beverage Licensing Lawyers Group. And get plugged into that community which now in my Crowdfunding efforts has brought me some really interesting liquor companies and beer companies along the way that we have had the chance to try in office.

Frank Curzio: Yeah that sounds pretty cool. Well Robin, listen, I want to thank you so much for coming on. Believe me I know directly how busy you are 'cause we've been working together for a while, but if someone wants more information on you. Asking more questions or whatever including where to find your newsletter, right? Crowd Crypto Weekly where could they go?

Robin Sosnow: Yes. So we have two sites. We've got our joint venture site

which is www.DSLG.co. DigitalSecuritiesLawGroup.co. And you can find me and our team at JobsActLawyer.com.

Frank Curzio: That's awesome. Well once again thanks so much for coming on. Thanks for going into a lot of the details where if people are interested in this industry I know you got a lot of your questions answered today. If you have any more, you can email me Frank@CurzioResearch.com. Robin just told you where to find her, but thanks so much for coming on. I really appreciate it.

Robin Sosnow: Thank you so much Frank. It's been an absolute pleasure and I really appreciate the opportunity to work with you both on the podcast and offline.

Frank Curzio: All right guys hopefully you enjoyed that interview. Robin, she's a workaholic just like me where we were sharing emails pretty much every day of the past month. 10, 11pm sometimes and yeah she's working just as hard as I was over the holidays to get all the paperwork in order to launch our STO which is coming out in a few weeks. And the work that she's done for us again has been nothing short of incredible because man there are so many moving parts.

You know it was education for me as well, but just understanding this industry it's pretty cool to understand something that I know people are interested in and it has so many moving parts. And the fact that we're able to merge like the Wall Street and Crypto together, which is, the way it should've happened the first place in Crypto is these utility tokens which Robin mentioned that give you access to zero.

They're giving you access to their products and services they didn't even create yet and people are paying them \$100, 10s of 1000. Whatever you know just to get into their offerings and getting nothing in return. Right? It's not backed by anything. Any assets, nothing. They just give

you a token that means nothing. And put a perspective if a company comes in and takes them all for a billion dollars you get nothing. You get nothing. You don't own anything. That token is not backed by anything and that's why the security token industry is so interesting where you're going to see more companies, I mentioned earlier like the NASDAQ [inaudible 00:43:40] on NASDAQ. The Bio-Tech company. You're going to see mining companies tokenized their best assets. That's pretty cool to me.

Like why do I have to buy all the crappy assets. Right? I mean if you're looking at a pipeline of drugs for Bio-Tech most of them are not going to make it, right? But sometimes they have a promising one phase two, phase three. It's nice. It's almost like you're getting a royalty in that, but you're gonna have your stakes gonna be tied to that. Same with the mining industry. Most of the projects [inaudible 00:44:02] mining company are, especially if you're a junior are never gonna get developed. You have to decide right now it would take ten years before they actually produce. But some of these guys have one great asset that's going to look attracted to maybe a Goldcorp or Newmont Mining and stuff and you're gonna see this come out.

I'm going to be mentioning it on the 20th when I speak at the Vancouver investment conference. The industry doesn't know it yet the mining industry, but one year from now you're gonna see at least 5% of these companies issuing security tokens. I really believe that. And that's just a small part of the industry. It's going to be a lot bigger. So look I wanted to put that interview together for you even though I'm away. Consumer Electronics Show. I do not get paid anything. Right? So this is my network. This is what I share with you 'cause I love you guys.

If you want to use her, no if not, if you have any questions you can go to her website, but start asking questions and guys look I'm excited about this you know it. Okay.

So it doesn't mean that hey if you invest in it, if you don't invest in it whatever, but start learning about this industry. Just learn about it. Put a couple 1000 in it here, there or a couple 100 bucks whatever it is, just so you have exposure to learn about it because this is a trend that I truly believe is the biggest since the internet. Where if you're looking at [inaudible 00:45:12] there's just so many things, even today.

You know remember it was like creating websites. Oh wow we got AOL. You're getting online. Think, just now App revolution. AI, Cloud computing, big data analytics. I mean they're still innovations that are being made because our speed is getting quicker online. You can do everything. Your whole banking industry. I mean for me I see like so many different levels when it comes to ETFs that can trade 24 hours a day where, listen Apple just warned us down 8% after markets, well you're going to have ETFs or tokens that are tied to Apple that you can invest directly in Apple. You can invest directly in you know a bunch of technology companies where it's 24 hours. You can sell that before it opens the next day.

There's a lot of interesting things to this. There's \$200 trillion in real estate that's locked up. That's not liquid where you can tokenize some of these assets. Andy Warhol just tokenized one of his paintings, 31% of it. So you have an asset you could sell off a piece of it to people and that's their equity stake. So if you do it with whatever Ted Williams rookie card or whatever and is selling 20% of it or Andy Warhol's painting gets sold 10 years from now you're gonna make a fortune on it. The fact that it's a token you could trade it back and forth.

Maybe I want to buy into that painting. Maybe someone's like, "Hey you know I'm going to sell to, you could trade it." So the opportunity is just amazing. Again, I explain it like it is when it's like Uber. It just makes sense. We are early to the party which is awesome, but it's going to be 12

months before security token is trading and over that time you're going to see a lot of things develop in this industry. We're gonna keep you up to date, but please, even if you're not interested in what we're doing. Start understanding this industry. It's a way that you're gonna be able to invest in early stage companies where you're not gonna be locked out of the Facebook and the Twitters when you have the venture capitalist firms investing in these things years ago before they actually go public.

Like Alibaba going public now. All the growth is gone at Alibaba by the time it goes public at whatever, 70, 80 billion. Uber's gonna go public. You know all the growth isn't it nice to invest in some of these at their super early stages and yes a lot of them aren't gonna work, but if one of them makes out you know imagine if one of those you own was Amazon, Facebook. That's going to be the opportunity you have for average mom and pop investors. Individual investors like yourself to invest early and really cool companies with tons of growth potential.

So I'm going to bring you a lot of new ideas and things like that and really focus on this sector going forward, especially in our newsletter Crypto Intelligence. If you have any questions, comments, you're interested, again, we're coming out in a couple weeks our Curzio Equity Owner token for accredited investors. Feel free to email Frank@CurzioResearch.com. We have sites set up where we educating you with videos and things like that. But again, even if you think I'm crazy, you hate me, you don't, whatever it's not about that. Just start educating yourself about this industry. Trust me. It'll definitely be worth it.

So last thing here be sure to follow me on Twitter. Again @FrankCurzio since I'm in Vegas. The CES. Love giving you inside scoop, boots on the ground, everything. Of course really cool stock ideas and I always say this because the best ideas gonna be reserved for the people who pay for my services of course, but I do share a lot of stuff on

Twitter when I'm there live. Things like that. So be sure 'cause I'm going to be there for a couple more days. Gonna be a lot of fun.

So that's it for me. Hopefully you enjoyed this podcast. I love putting things together for you especially when I'm on the road and doing some work for you guys. That's it for me. Thanks so much for listening. Again, if you like what Robin had to say, you want to contact her feel free. If not no worries. Like I said I love you guys and I just want to share my network with you. If anyone's interested in doing something like that when it comes to security tokens. So guys I'll see you in seven days. Take care.

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