

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 February 1st and I'm Frank Curzio host of the Frankly Speaking podcast where I answer all your questions whether market, stocks, comedy, sports and anything else you want to throw at me.

I created this podcast to answer some of your questions that you would send me through my Wall Street Unplugged podcast which I host every Wednesday. If you want any questions answered just send me an email to frank@curzioresearch.com. That's frank@curzioresearch.com. Be sure to put Frank You Speak in the headline and you never know. Your question may be the one I read on this podcast.

Let's jump right in. First question is from Phil.

Say Frank, do you think GE's finally bottomed? Interesting to hear your take after the strong quarter. Looking forward to your token offering. Best regards, Phil.

Very excited about our token offering coming out. I'll address that a little bit later. I got more questions coming in. Phil, I'm just surprised. I mean, why do you want to hear my take on GE? My track record with this stock has not been too great as most of you know but I will say this. I'm going to give you my take on it. I think the worst is over. I don't think you're going to see under \$7.00 again. I think six whatever was the low. It's at \$10.00 now but you look at this quarter, I'm not saying it was a kitchen sink by any measure because that's

what I thought pretty much nine months ago.

When you look under the hood because when you look at earnings and you look at sales, you're looking at those two metrics, yeah, it kind of missed a little bit but looking under the hood their worst division has been power. It's been a nightmare for them. That's what's been crushing company. It's down 19% for the quarter which is terrible. You turn to healthcare, healthcare pretty good, down slightly, not too bad. Aviation, Monster Corp, he's up 12% year over year. The big story here is free cash flow. Free Cash Flow came in at 4.9 billion dollars. The Street was expecting around three billion. That was a massive surprise and GE's basically a cash flow story where that's the reason why they cut dividend, answers the questions on they have a lot of debt. How they going to pay this off? When they broke out their power division for the first time and the first time on a free cash flow basis they said ... Yes, they reported a loss on that but they're almost break even on power when it comes to a free cash flow basis meaning that that massive drag on the company, and again it took them right down on it, you're looking at GE saying "Wow, you're the biggest risk. The power business is absolutely horrible."

If they can break even on a free cash flow basis it's a different company. I know all the problems believe me. I've analyzed this thing to death because that's what I do when I'm wrong on things. Talking about right now, taking a fresh perspective at this.

Another positive, whenever you have investigations ongoing, whatever, which government body ... It's always a drag on the company as well. That's why a lot of times when companies settle usually the stock goes up because you don't really know what's going to go on. It's going to be money expected. As long as that trials ongoing or they can't come up with a settlement it's usually just creates more uncertainty in a company that I don't think out of any large cap company you could think of which probably in the past two, three years, as more problems, or more concerns, more uncertainty than GE, name it. I can't

name one but another positive came when they go to settlement with the DOJ which was related to past division, past sub-prime mortgages but it was for 1.5 billion and the Street was expecting more than three billion. Again, more cash that's going to be safe for this company. That's it. It's a cash flow story.

Just like if I try to teach you guys based on my mistakes where it's not always earnings and sales that drive stocks. They're looking for other things. If you look at Amazon, Amazon hasn't reported earnings until like two years ago. Look at where that stock has gone. If you look at ... When it comes to sales, yes, you want to be a driver for sales but if you're looking at Netflix they're looking at how many subscribers and social media subscribers is a big deal. You look at cable companies and average revenue per subscriber, if that's going up. There's different metrics, same store sales. That's a big driver. If you look at same store sales which just compare stores open for more than 12 months compared to a previous period, a year, the quarter before. For retails that's a big metric but for GE it's the cash flow and that's why the stock surged.

Doesn't mean that everything's over, go buy GE, it's great. No, they still have a lot of problems but with that said the biggest thing is Culp. He came in. He's a game changer and here's why this is different from Flannery who's a very successful executive, ranging his healthcare unit, former CEO. He just got replaced. He actually replaced Ed Milton. Now he just got replaced by Culp. Culp is an outsider. Why is that so important?

Look at Ford for example. You look at Ford, they brought in Mullaly. He is an outsider. Ford was in a lot of trouble during the credit crisis, right around that time. They brought it. They looked like they were going under. He just revamped the whole company. Now, why is that such a big deal compared to Flannery being at the company? Let me give you this example. Say we're doing our security token. We're raising money and say that I'm able to turn this business, generated six billion dollars over the past two years into three, four hundred million dollars. It becomes, on a mark cap basis, a billion dollar co, very

successful. Now, that could take next 15, 20 years. Whatever it takes, even 10 years, hopefully, less than that for all you investors who are coming in.

Now, say 10, 15 years from now all of a sudden everything starts declining. We start doing bad. I'm not talking about Intel where Intel just announced a CEO. Things are still good at Intel. They didn't report a good quarter. I'm talking about like extreme examples when it comes to changing leadership. At a place like Ford that looked like it was going to go over and people are calling for GE to go bankrupt and go under, go to zero.

Now, with my company say all of a sudden trends change tremendously. We just get into the wrong things, the newsletter business goes to crap, just whatever it is and we're going lower, and lower and lower. As me, CEO and I'm running the company and we have board directors, for me it's ... My partners who have come in at this level, maybe my employees, these are people that trusted me when this was nothing. They had good jobs and they could make a lot of money elsewhere. They said "You know what? I believe in your message, Frank. I'm going to work hard for you and I'm going to try to make this happen and make this biggest financial publisher" and that's led us to this offering. We're very, very excited about it because no one is doing this, not even an industry, hardly anybody and we feel like we're first to the party but these are people that trusted me.

Now, over the next 10, 15 years you're growing up with them. You're seeing their kids. You're seeing their kids go to school. You have company parties. It's not as easy and I don't care who you are or how tough you are and I know business is business and personal is personal. I know that but you can't tell me that doesn't factor into the decision where you might look someone in the face that trusted you for 10, 15 years and you know their family and your business isn't doing that well. You might say "Okay, listen, a couple more months. Let's see if we can change this around." It's difficult for an insider to do that. Flannery's been part of that culture for, what, three decades.

When you bring in an outsider they're looking at the numbers. It's not personal to them. They're looking, "What, this division doesn't make money." "Yeah, but they're such a good employee." "I don't care. They're gone. That facility is gone." The biggest expenses that get cut is salary. It's unfortunate but I'm talking from a business perspective not from a personal perspective where you hate to see this. You're going to see a lot more jobs being shed at GE, a lot more divisions, things being sold off but here's a guy that looks at the business from scratch and says "What is going on here? All right, get rid of it. This is gone. That's it. We have to lay off employees here." "Okay, this, no, you have to cut expenses. The sales team, we got to shrink the sales team, pay them on an incentive basis", whatever they're going to do to restructure that company. That's what an outsider does. That's huge.

In the meantime as you're cutting costs and getting rid of the garbage you're building up your divisions like healthcare. You're good divisions for GE and you're building up aviation while you're cutting expenses and you're trying to right the ship with power, insurance, just so many other businesses that demand, holy cow. It's amazing how many businesses they own.

When you see all that come together where you're cutting costs and you're shedding all the garbage of the business that hasn't been doing well and yet you're focusing on your prime businesses, your core assets and they start doing well. Then you start generating free cash flow that's when the massive, massive turnaround change. That's when things ... Now you start becoming very lean. Your earnings surge because it's not just you're cutting costs here. Now you're doing great with your other divisions that are generating money that goes right to the bottom line. Your margins go higher. You have a staff that's working probably twice as hard because you have fewer employees. Again, from a stock perspective and a business perspective that's when you see the biggest gains. We're not there yet. We're not there yet with GE. At \$10.00 I wouldn't go in there and say "Oh, we got to buy it at \$10.00. It's a great buy." It's not a great ... It's a very speculative buy here. This is

... Listen, we have a ton of institutions that were in this stock that got destroyed. For them to come back in it's going to take more than just one quarter and really strong free cash flow.

You got to see consistency. You got to see transparency. How many people thought when the bottom, including me, analyzing all these business, who knew about the insurance stuff and all this garbage that Immelt left with this company that was never really reported on until after they cut the dividend. They cut the dividend, that was supposed to be the kitchen sink. Okay, that's a good thing. Yes, the stock's going to get nailed but you're saving money. Now you can use this money to whatever, pay down debt. You're cutting costs. In a long run that was the right thing to do but you need consistency and you need transparency and just break it out to power division on a free cash flow basis. I like what Culp is doing.

When he first went there you could tell he didn't know what the hell was going on. That conference call was horrible. Now it's just a different story. Even the biggest bearers were kind of like "I'm not ready to be positive on this stock but you can't tell me that this wasn't a good quarter for the company, this wasn't a step in the right direction for the company." When I look at GE that's how I analyze it. Is it like "Wow, GE's back." No, they're not even close to being back but I think the worst is behind them. It's got a good leader up there. They're doing the right things right now. They're shedding their un-performing divisions. They might spinoff some of their bigger divisions, the healthcare. We'll see but these are divisions that are huge, one or two ranked in the whole world. It's not like they're sitting on a bunch of crappy assets. No, power is not that good. They're trying to right that ship and it looks like they are. If they do you're going to see this be more of an earnings story again and continue to generate lots of free cash flow. That's going to be the big positive. That's when you might see a couple of upgrades.

Maybe you see from underperform to neutral which we even saw with the biggest bear which is JP Morgan but, again, even

JP Morgan I believe is still like “Hey, they warned ahead of this quarter just to be careful.” I don’t think they have the underperform rating on anymore. That’s the analyst that’s been right on this all along. Will I look at GE? Yeah, listen, there’s a good quarter for me. I’m not ready to jump in with both feet. It’s a speculative play but if they get it right you’re looking at the stock, this stock can definitely go a lot higher for me if they get it right but they’re not credible yet. You have to wait for another quarter. Yeah, the stock may go to \$12.00 or \$13.00. He may miss a 20% more move one it. Again, if you bought the absolute low it’s up 40% from its lowest but people don’t talk about the stock was 40. It went down to 6. It’s a nice bounce back and I think it went much, much lower than I expected but at these levels maybe a speculative buy. I wouldn’t go in and say “Wow, it’s a great buy” but definitely, clearly, this was a definitely good quarter for a company that just needed it and needed it badly after, man, what was it? Probably 8 to 10 consecutive quarters that were terrible garbage.

Being lied to by Immelt, Flannery trying to right the ship here and it just wasn’t working. You got to credit the board for making that switch. Less than, what was it, three quarters? Whatever Flannery was running the company for but right away they were ... Maybe he wasn’t being as aggressive and I don’t blame him. Again, when you’re part of that culture it sounds easy. You want to be this boss. You want to be ruthless but when you have people that were with you and you’ve known the families for 30 years, and they trusted you and they backed you before it’s not as easy to cut things when you have those emotions involved. Again, I don’t care if you’re the biggest hard ass or whatever. It’s not easy to do because you’re cutting loyal people that are loyal to you. When you bring in an outsider they’re just looking at the numbers, “Hey, this doesn’t work? Bye. This is gone. Close this facility. We go to get rid of these employees. Here’s what we have to do. Here’s how we make a leaner company.” You got to give it to Culp. Right now, so far, doing a good job. Let’s wait to see in the coming quarters.

Let’s move on to a question from Bruce. Bruce says “Hey Frank,

I can feel the excitement building for CEO which our currency equity owners token.” He says “I can’t wait to get my VIP lifetime subscribe to everything you sell phone call.” He says “I will be investing in CEO.”

I appreciate that. We’re about a week and a half away. We’re just downloading everything to the securitized platform, going through it. My job’s to make sure that every investor who goes on that platform to invest in our company through our token has a great experience, understands everything. For me, I want to sample that platform and go through it. This way I’ll know the questions that you’re going to ask and have them in our FAQs, frequently asked questions. This way it’ll be an easy process because it’s a new industry. This is going to be something that you’re doing for the first time and that’s where we are right now. Everything’s done. Everything’s pretty much written. Going to be able to send the white paper to anyone, frank@curzioresearch.com if you’re interested but really exciting stuff guys. I know I’ve been talking about this a lot. Look, it’s not so “Oh, you got to invest in it. You got to do it right now.” Look, for me, just try to learn about this industry. This is something ... I’m not BS-ing. I’d never BS anybody. It’s just not what I do. It’s not how I grew up. It’s not how my parents taught me but this is something that is changing the face of business. This is a totally new business. This is a totally new sector. This is going to disrupt numerous businesses and I haven’t seen this since the creation of the internet.

Just to show it’s not BS, that I’m basing the reputation of my company on this. That’s how much I believe in this and more important guys, if anything, even if you do become an investor, if you don’t, whatever. I’m telling you, learn about this industry but coming in as an investor unfortunately you have to be accredited. That’s the way it has to be. I know a lot of you aren’t accredited investors but in 12 months you’ll be able to buy this token if you want, still going to get the equity stake in the business just like it’s going to trade similar to a stock.

The biggest thing right now is having that accredited investor

status means you're going to have access to one, a Curzio Venture Opportunity newsletter which means we offer private placements, very selective. We don't offer private ... Every company's trying to raise money, very selective. I do not get paid a dime by any company I recommend them, ever. This is a bonus to that subscription for Curzio Venture but also crypto intelligence as we focus more on the digitalized securities, security token offerings.

Right now we're getting lots of calls in, lots of calls asking us "Hey, how do we do this" and being through this process and how difficult it is. We're going to get a look at so many really good names and that's something that's really cool because it has not been an easy journey. You're merging Wall Street with crypto and you're doing it right way where people get equity stakes and more important I'm starting to see more STOs come out but they're not doing the right thing. They're still being assholes.

Excuse me and that might ... I don't know. I might have to edit that, whatever with iTunes and stuff like that. Sometimes they get ticked off. You have to put explicit material, whatever, but they are being assholes because you have the chance to do something great where you have a great business idea and it makes sense. You're like "Wow, this is fantastic", just like with the ICO market but they're not given equity stake. I don't know what's wrong with the generation of, if it's millennials or whatever. I have no idea and I'm not picking on your guys. I have friends that are millennials. I'm just saying that even crowd funding platforms. You come with this idea. You go on Crowd Funding. How do you not give equity stakes to your investors? Take care of them because if this deal works out you're going to have those guys invest in everything you do for the next 30, 40, 50 years. That's the way it works in this business. The people you make money for follow you for decades, and decades and decades. They trust you forever.

If you go and you tap that once and you screw them it gets around to everybody else and you're done. Your career is done.

I'm not saying if you're honest, and you try to help them out and the deal doesn't work out that's fine but for you to do a security token offering right now in some of the deals that I'm seeing, the deal is structured so crappy for the investor it's a joke. We're selling off 25% equity in our company and it's going to be 25% equity if we raise 12 million. You're getting an equity stake in our business. We intend on paying a dividend on that. You're getting access to all of our products and services for free which our competitors charge \$25,000.00 plus just for that alone.

For us, it's important that we put out a good deal. It doesn't mean that, hey, you should invest in it. You're going to make money but when I'm seeing some of these STOs they're like "Hey, we want to do a real estate fund. We're going to buy New York real estate or real estate in San Francisco" but you're not getting an equity stake. They're like "But, it's backed by these assets but we'll pay out on a dividend." Are you kidding me? Why would you do that for? Why don't you just buy a REIT? At least you're going to get a dividend right away and you could liquid right away and get out of the investment. I'm going to give you a hundred million dollars as an investor? All of our investors are going to give you a hundred million dollars so you can go buy all these buildings so you can make a fortune for yourself and you may pay us a dividend? That's your deal that you're offering?

You look at Kickstarter. You look at any Go ... You look at these platforms. They're like "Yeah, fund me." You're funding. What do you get? You get that product, that's it. Guys, building a special, handheld phone where you don't have to use your hands for, whatever. You're like "Wow, this is the best idea ever." You're like "Hey, here's \$5,000.00" and then they get taken over. You're like "Wow, this is great." You get nothing. You get that stupid product you just decided to give the money for free to fund. They're not giving you anything. Give me a break. If you want my money let me participate in your growth, in your idea that I believe in. Don't give me a frickin product. I can buy that when it's on the market, when you finally have

a product. Why am I going to do it now when it's not a ... You don't even have it selling in stores yet. Why don't you just buy your product later on? Why am I going to buy it now for? It's a joke. That's a big important part of this.

Listen Bruce, I'm going to get to your questions because you have a fantastic question here and Bruce is a great guy. He emails me all the time but the biggest part is looking at these deals. We're going to be in a position to tell you, "Hey guys, this is garbage. This is shit. Don't go near it" because we know. We know. We're using the best people out there. We've been through this process. We know, "Hey, this is a good deal. It could make it into our crypto intelligence newsletter." We may be able to get discounts, getting in early into digital security offerings where dozens of calls every week are coming in, this is amazing. We saw this. We saw your presentation at the Vancouver Resource Conference where I outlined the whole industry, not just our security tokens but why this is such a big deal, what industries this is going to impact. Now we're getting lots of calls, lots of emails but we're in a position to say "Hey, I'm thinking of doing this." Well, if you're going to do it here's how you do it. Make sure you take care of the investors.

You won't see Microsoft launching their stock saying "Hey, you got no voting rights. You got no this. You got no that." You do it the right way. This way if it's a great idea ... The fact that you're coming out and you're raising money is going to increase your valuation anyway. If it increases your valuation have the investors share in that, especially as you grow the company. It just makes sense to me. How selfish and greedy do you have to be to say "Wow, hey buddy, look, could you fund my company? Great, okay, now we're big." What'd you get? You get nothing, thank you. Thank you for your money. You get nothing.

We're in a position to tell you who's full of shit and who's not and that's big. In this industry, right now, that is huge, to tell the difference between utility tokens, security tokens and not just security tokens which are a million times better than utility tokens because you're backed by assets but telling you which

security tokens or which companies are actually good and worth investing in and which ones are just “Hey, you know what? This is a money grab” because we’re still seeing that unfortunately. It’s sad but I’m going to be the voice to call these guys out. That’s going to be big as this industry gets bigger, and bigger and bigger and you’re seeing it. It’s not coming. It’s here. I provide numerous examples for you.

Anyway, Bruce, don’t talk about the SCO anymore because you’re get me continue to talk about it and I want to get to your question now because it is a good way. You say “I will be investing in your token.” He goes “Here’s my question. When you said stops in your newsletters”, which is Curzio Venture Opportunities or Curzio Research Advisory, “in those trades do you want us to monitor our own entry point and stop on our own or wait for your alert to do so?” Related, when we’re buying a half position and we are adding the second half position on our own or waiting for you to send out the usual buy the other half on this pullback. Just mainly want to know how closely we should be watching these positions. Thank you partner. He actually said partner. Good job, Bruce.

That’s a great question. Now, as a newsletter writer and having been in this business for a long time and depending on where I worked, even here, you’re talking to tens of thousands subscribers. For me, I have to be definitive and say “Hey, this is what we’re doing.” My job is to give you the best advice possible, what I think, but outside of that maybe you want to ... I’ll say add a half position because maybe this stock ran up a little bit, maybe it’s a stock that I love that’s coming down. The trends not really in our favor and it could come down a little bit more so I want to scale into position. I’ll say “Buy a half here. Let’s wait until we buy the other half.” You’re saying if you buy the other half on your own should we follow you. Listen, this is your money. When you go into a position not everyone’s going to get in at exact price. That’s why for us we always use ... Whenever we cut our recommendation the price we use is a previous day price, no matter what. This way there’s no questions.

Now, the stock may be up so that would show that ... Say the time you get it or you get it that night, on a Wednesday night our recommendation. We're going to use the previous closing which is from Tuesday because even though we come out after the close we right and the whole thing is done. Then we go through the whole design and stuff like that. We try to send it out pretty much like 4:00, 5:00 right after the close but that's Tuesday's price. Wednesday the stock might be up and that means we might be up in the position. Maybe the stock is down and we're down in the position. The reason why we take that is it's a fixed number no matter what. By the time you're getting the recommendation and we're talking about and we make sure if it's going up credibly that day or if it's like a 10% move we'll go to the designer and say "Hey, we need to change this before it goes out", whatever. We're doing the best interest for you, that's what we're doing but when we look at, getting back to your question on buying into a stock.

Everyone's going to have a different point of what they buy it because not everyone's going to get the letter at the same time. We send it out to all of you at the same time but maybe you're working, maybe you're away for the week and maybe you're going to buy the stock lower than our cost basis or higher than our cost basis. You're saying "Well, when it hits our stop loss" or say if it goes down and hits a 25% stop loss let's just say, you could still be in the stock because you bought a little bit lower maybe a couple days later. Should we follow my advice? I would follow your advice and just keep that stop on it, 25%. Just know that once we sell out of a stock we're not coverage it anymore. We can't give personal advice and sometimes I get questions from people like this, Bruce, just like you, saying "Hey, I was able to get in. It's a little bit lower than you and now the stock is up a little bit. Should I hold it? Should I sell it now?" I can't give personal advice. I'm allowed to talk to a general audience.

Just like Kramer is when he does ... Kramer can't answer you individually and say "Hey Bruce, this is what I want you to do with your stock. I want you to buy it here and then sell it here. Then we'll go have beers." No, he can't say that. He's

got to do the lightning round where he's talking to everybody and talking to an audience or writing to everybody. That's the newsletter business. That's what we have to do.

What you choose to do is up to you. It's your money. For us, once we're out of the stock we're not going to cover it anymore. I get a lot of questions on stocks that are not in the portfolio anymore. Maybe we sold at a profit, maybe we stopped out of it but for us we're out of it, period. For you as individual investors, listen, follow your stops, be smart. Maybe you got in a little bit lower, maybe the stock bounced back after we stopped out. I don't know but in that situation use your instincts, be smart, just be sure to follow your stops.

I've seen so many people get crushed where things just change on the stock. If we didn't follow our stop on GE we'd have got destroyed. We took a loss on it, yeah, and I talk about it all the time. I talk about my losses more than I talk about my winners but, man, holy cow, we would have got destroyed if we stayed in it. I truly believe that even getting out of it, I'm like "Man, I wish we didn't stop out of it" because I thought all the numbers were accurate. I didn't Immelt was lying. I thought the \$2.00 number were ... Even down to a dollar in earnings that they were going to generate still put the stock at 12 times earnings. It looked like the kitchen sink was in after they cut the dividend but you never know. When you cut your losses you're fine. You still got cash in your hand that you can put in so many new situations instead of just holding that stock. I see us in a mining industry, geez. So many analysts out there that cover the mining industry. Look at their portfolio. They're down 80, 90%. What do you do? What do you tell your subscribers?

I had people holding these stocks. What are going to think about every single day? You're going to think about the stock is down 80% every single day. You'll be like "Oh, should I buy more? What am I going to do about it?" In the meantime you have the whole entire market, great ideas. You could've bought Netflix and been up 50% in a month. Apple went down to 139, 160 now. You're looking at a market that bounced back incredibly in January but if you lost all your money you might have

been shot. You want to follow those stops at all times, even if you're in at a certain price where I might get out of it. For you personally, guys, that's why I do these segments, to try to teach you invest. Again, I'm talking to a massive audience where, again, I'm showing conviction. This is what you need to do. Stop out when I tell you to stop out and we're selling the stock. We're not coverage anymore but if you're still interview stock just make sure to follow your stop and use your best judgment. You know the story. We told you the story.

Again, I want you guys to also be thinking on your own. Yes, I want you to listen to me. Yes, I want you to follow all rules and it's extremely important. One of the biggest ... I broke one rule for the first time. I'll tell you guys, it was Citigroup. Citigroup we almost stopped out of and I doubled the position. I said "The second time in 20 years I'm doing it" and we did it when it was like 40 something. Citigroup went right back and surged after that. It was a situation that I'm like "They're buying back 60 billion dollars' worth of stock, 50% of the mark cap in the next three years. I know that Citigroup is trading at a massive discount, under 10 times earnings, under book value." For me, really doing the research on this, that was a one-time thing. I've done it once or twice but follow the rules, stick to the rules as much as you can but sometimes you're going to be in positions that I'm not in because you're in different prices. Again, use your best judgment if that helps. Hopefully that answers that question, Bruce, and sorry to go on and on about the STO but we are getting tons of questions on it.

Here comes another question on it. This is from Robert. He goes "Frank, love the podcast. I've been a listener since long before you were with Stansbury and I'm a subscriber. Love your work. Had some great success with your picks. Keep up the good work. Just have some questions, first, I'm interested in your STO but I'm not an accredited investor yet so what do I need to do in order to prepare to buy Curzio Research Token once it starts trading in the future? Second, if public companies can tokenize it's best assets is that stealing value from existing shareholders? Do you think there are any negative, unintended consequences of tokenization? Respectfully, Bob."

Two good questions. The first one, where you say you're not an accredited investor. What do I need to do to prepare? Again, it's unfortunate. I'd love to offer this to all subscribers but the way we have to set this up is accredited investors only and there's a lock-up here for everybody for one year. After the one year period then you can go ahead and buy it. How would you do that? Hopefully the way we're structuring this is it's compliant. It's compliant with every single exchange so if you're an investor in this you're going to have to go through KYC, know your customer. You're going to have to go through anti-laundering. Again, this is stuff that's automatic when you give someone your social security number through a brokerage firm but a lot of this isn't automatic with Bittrex, Binance, overseas where people are laundering money. That's why Coinbase had to send about, what is it, 15,000 of its accounts to the IRS because they didn't know who these people were. You're also going to have to show proof that you're an accredited investor.

Now, it's a little bit of a pain in the neck, that part, because usually they just check a box and I get it but, with that said, our token is structured to be trading on the major exchanges. That's why we're using the best lawyers. That's why we're using securitized because if we want to go to tZERO, all coin based or open finance, or the dozens of other compliant security token exchanges that are launching over the next 12 months our token, our structure, our customers are all going to be compliant where we can say "Hey, they're already compliant. They went through these tests. They were checked." That will allow us hopefully, there's no guarantee, to easily trade on the major exchanges as they get bigger, and bigger and bigger. That means tZERO.

Now you would need to establish a wallet and you could do that. A wallet is just basically an account that holds money that you'll be able to trade crypto in, so Coinbase, if you keep your money there that's a wallet. You could have your own wallet. You could have a treasury. You could have a ledger wallet which is cold storage wallets where you take everything offline which you're not going to have to do with this wave of cryptos because

the new exchanges are going to prior to FDIC insurance. They're going to be like regular broker's firms. It's not going to be like if Binance gets hacked you'll never see your money. It's a lot different with the new exchanges coming out. That's why you need regulation in this industry. No BS. Not that it's fully regulated but you need regulation. You need to know your money's safe. You need to know your investing in something that's real. Right now you don't with ICOs because they're not backed by anything. They're utility tokens and they could just ... Their obligations are give you a token. You never know how much money they got left out of the money they raise. Most of these guys are done.

If we're on tZERO you can go to tZERO, have a wallet and fund it through your bank account. That's probably going to be available within 12 months. Then once you do that you'll be able to buy our token on the market. Again, it's going to trade similar to a stock where it's equity stake and we intend on paying a dividend.

Now, you're second question which is a good one. Public companies can tokenize its best assets, is that stealing value from existing shareholders? Think of it this way because I said that this is the first NASDAQ listed company and it's a biotech company that basically tokenized. It's not ... They just and now said ... I saw people talking about it but I don't think the company ... It's public information and I think the company just announced it a couple days ago, whatever. They've been listed on NASDAQ I think for 10 years. I think it was a 250 million dollar market cap but whatever. Now they're tokenizing their top drug, this biotech company. You're saying "Is that stealing value from existing shareholders? Think of it this way. GE has their healthcare division. What happens? So many other businesses, we have two companies in our portfolios and what did they do? They spun off assets. When you spinoff an asset, if you look at any asset that's spun off especially within the first year or two, the largest owner is the company that spun off that asset. They still own it but what they're doing is just selling a piece of it.

When I give this example and say “Look at GE.” If GE decides, listen, I don’t want to own GE’s power division. I don’t want to own insurance. I don’t want fine, anything. You know what? Healthcare’s pretty cool. Aviation’s awesome. If they sold 20% of that it’s almost like spinning it off. You would spinoff into your own company, yes. Is there value? Yes, there’s value there but now investors would be more, like guys like me, would be 10 times more interested just investing in some of those key assets. It’s a way to raise money for these companies. They’re still going to have an ownership stake in the asset that’s being sold. No, you’re not really stealing value away from shareholders because they’re raising money which is cash is being raised for that asset but you’re not going to be stealing money away. That’s from publicly traded companies. Will we see that happen often? I think so.

As a company that, I know [inaudible 00:33:42], where my big story, again, the whole mining industry got killed and we didn’t perform well in this one but Gold Mining is a company that I love because they’re sitting on an asset that few people know about. It’s a huge uranium asset.

Now, granted I didn’t know uranium prices would fall to 19 20. What are they? 29 today, but at 45, 40, even 30 that asset was worth more than the mark cap of its stock. Right now you see uranium prices come up but that’s a pretty good asset for them because right now people still hate gold. They’re like “I don’t believe in it.” Yes, I see a little bit of the trend coming back but when it comes to gold they’re like “I don’t know but if I’m going to get a piece of this uranium asset”, I could tell you uranium’s red hot right now. People love it. Prices are surging. You see a lot of interest from hedge fund managers getting into this knowing that trends going to turn pretty soon. Supply and demand says it’s getting more in line. I won’t bore you with the specifics and the details but that is pretty good proposition for investors. Hey, they’re going to sell 20% or 30% of that asset and bring cash into the company. That’s good.

Are there negative implications to tokenization? Look, we're hoping that all these exchanges are going to be similar to the etrades, Scottrades, whatever, interactive brokers. If that doesn't happen, yeah, that's a risk. That could be a pain but basically the whole point of tokenization is to create a liquid market for liquid assets and there's three hundred trillion in liquid assets that are just sitting there. Think about your home. Please, listen to my interview from Wednesday. It was fantastic. Matthew Sullivan came on and showed how in California right now they're starting, how you could tap the equity in your home which is very difficult to do these days with banks and bank laws but he's writing checks. Saying "Hey, you have a million dollar house and you have \$500,000.00 equity in California? Hey, we'll write you a check for \$200,000.00." Now we own 20% of that home. They're putting it in a REIT and selling it through a token and paying dividends. That's pretty cool to me because now who's that benefit? Matthew Sullivan's got a good business. Now you own equity stake. You own real estate which is awesome. US real estate's not really a bad investment, especially if you're particular where you're buying these properties and he is.

You look at the homeowner, it's a great deal. They're getting a check for \$200,000.00 that they don't have to take a loan out for. Remember, when you tied to a home equity loan you're basically taking money out. Now you're going to have to pay interest on that. You don't have to pay interest on it. That's impacting the banking industry, mortgage companies. It's just incredible when you see how these assets are being unlocked but it all comes down to the SEC coming out, regulating these exchanges which they plan on doing. tZERO's already active, having these security tokens, getting these people to do the right thing. Not all frank BS offers, or having fraud in this industry or whatever, making sure that now these are deemed securities that if the CEOs lying to you, or doing something, or just shady or whatever it is that they're going to get arrested. With a lot of these ICOs you don't even know where the headquarters are, overseas someplace. They come out Malta

trading on Binance. Are you kidding me? Doing rag ass offerings and just raising money through anything. You don't know anything what's going on. You have no idea.

Again, obligation's just to give you the token. Yeah, there's a lot of question marks out there. I'm not painting this picture, like "Holy cow this ..." I just know that this works. This works. It works for everyone around it. It disrupts markets. I provides cheaper ... You want to disrupt industries there's two things you do. You disrupt them through pice and you disrupt them through the quality of your product because if you come out with a product that's cheaper than everything else and it's better than everything else you're going to disrupt the market. It's what happens in retail. That's what happens to Amazon. That's what happened with Uber. This does both. That's why this market's going to work.

Are there risks? Of course there are risks. You got to make sure that these exchanges are up and running. They're fully compliant. Want to make sure that by compliant, just if you have capital gains the IRS knows about it which they should know about it, just simple stuff that needs to transpire but the amount of demand that I'm seeing and even the institutions that are getting and leaving places like Goldman Sachs, leaving banks to start their own companies to launch things like this, real estate and a lock, just different things is incredible right now. This is a real market. You're seeing plenty of examples that I explained to you that show you that. Is there negatives? Yes, there's a lot of question marks out there. I'm not going to paint this beautiful picture and say "Wow, this is going to be great" but the bottom line is for our offering with our CEO token our job when we get this is to build the company. If we don't then it doesn't matter how you're raising money or what you're doing it's not going to work. We know we could do that. We should. We built a company, six million in sales in two years.

Not a lot of companies can say that. We've lots of people that want to come work for us. We have all of our IT systems set.

We know how this business operates. We know how to grow the business and growing that capital is going to get us a lot closer to our competitors very, very fast. That's something that we're really excited about so, yes, there are risks. Great questions there, Robert, and hopefully I answered that for you. If not, feel free to follow-up with frank@curzioresearch.com.

Now, the most important part ever, the most important segment of the year right now, my Super Bowl prediction. I'm bringing everybody in if you're not familiar and if you're not a football just shut my podcast off now. Just shut it off. It's okay. I don't mind. Just shut it off. If you're a football fan you want to listen because before last year eight straight years, I analyzed the Super bowl. I broke it down and, guys, I'm a huge football fan. I follow it religiously for over 35 years. I was in fantasy football leagues for over two decades where I had Jerry Rice on my team who was on San Francisco when he was in his prime. That's how old I am. That's how much in football I was. I used to look at the box scores. You didn't have any internet. You had to look through every box score in the paper in the next day to see if you won against whoever you played in fantasy football. Analyzed it, broke it down and I did this because for eight years in a row I lost. I had the wrong pick. I did it, came up and said "This is the analysis. This is why it's so perfect." Make sure you take the opposite. This way you can make money because that's all I want to see you do is make money even if it's the expense of making fun of me, that I'm terrible.

Football or Super bowl pick, last year all that changed. My Philadelphia Eagles made the Super bowl. I attended the Super bowl. Yes, it was crazy expensive. It's cool. I'm like "Yes." Everything was cool until my wife said "Hey, can I come" because she's an Eagle's fan which means everything's double. I'm like "Thank God they won" but it was an unbelievable experience but I did the pick the Eagles. I said "I love them with the points" and I broke that streak. What does that mean? It means that right now from a technical analysis standpoint it's kind of like Curzio bottomed right here. If he picks this Super bowl and he's right, then that's a trend so you better follow

me going forward. I'm going to be right maybe the next five or six years or it could be a false bottom. We'll see but here's my analysis on the pick.

When I look at the Patriots, just amazing. I know so many people hate the Patriots. They're in some Super Bowls, three in a row, but this team specifically. How many of you, I can because I follow football, but how many of you can name three guys on the defensive side and don't tell include the McCourty twins. You don't get that. It's not easy but seriously, Flowers you got but they have a bunch of guys that really you don't hear about. You're looking at [inaudible 00:41:41]. It was a one and two, Gronk was injured, Edelman suspended for doing roids. They lose Josh Gordon, doesn't matter. Losing that crazy play to the Dolphins late in the year which basically they couldn't get home field advantage through the whole playoffs. Yes, I know they have the Jets. They have the Bills. They have the Dolphins in their division, three worst franchise ever. It's so nice to have those horrible, horrible divisions and organizations in your division every year. Come on, you got to play them twice a year.

Anyway, I wish we had that in the NFC. It doesn't matter how bad they are. When the NFC plays each other they always get up for those games and they always beat the crap out of each other. It doesn't matter how they're performing throughout the year but if you look at Brady, Belichick, especially Brady. The one man I bet you 95% of the men in the US hate but all of want to be. He's a perfect guy, beautiful wife, perfect football player, nice and tall, good looking, wins all the time. Come on, you don't have a better life ... You can't have a better life than Tom Brady. Doesn't even have to answer to the media. Doesn't even have to talk to the media. Think about when you look at the people of greatness in sports, like [inaudible 00:42:50]. The media's all over these guys all the time. Not Brady, he can say "Oh, I don't want to speak to you guys today." It's okay. It's Tom Brady. The guy's perfect. I hate it. Anyway, that's why everybody hates him.

He didn't really play good last game though. He basically got

saved by an idiot forgetting where the line of scrimmage was and lined up offsides. On that play Brady threw an interception. It was late in the game. It would have ended the game but that penalty allowed the drive to continue. They scored the go ahead TD and basically what it was that Casey came back into field goal, went into overtime then the Patriots won in overtime. But Brady, he's just a winner. He knows how to win. He's awesome and I know he has trouble throwing the ball past 15 yards. I know but he may not have to in this game because the Rams have the worst defense when it comes to slot receivers or defending slot receivers in the entire league which is why, which is basically like these quick slant plays and there's quick passes and that's what they love to do. Those quick passes do what? They negate the pass rush that's coming against the defense tide, defensive linemen. It fits right into their scheme. The Pats are the best team getting yards on first and second down where it seems like they never have more than a third in five unless they're playing the Chiefs at three third and Ted Burrell that they got but they're always like in third and short which is good.

They're always getting those first downs. You look at the Patriots. They deserve to be there after they outplayed Kansas City. Yes, it was one play that changed it. It was also one play that changed the Rams. Everybody knows it right now, that pass interference call. We get it. Let's just ignore it because it doesn't matter but the Rams start off red hot. Then Gurley, best running back in the league, got hurt the past few games and they kind of tailed off a bit. You look at their D. On paper their D was supposed to be lights out better than Chicago. Compared to the Giants they assigned everybody. That Aaron Donald who's a freak, best defensive player in the league by a mile. They had Ndamukong Suh. They have Dante Fowler they got off of the Jaguars, weird. During the year they were horrible. They're ranked as one of the worst in the league. I think it was 24th or something but that was until the playoffs. The Rams were like lights out. They held Ezekiel Elliott, one of the best running backs for the Cowboys, the Saint's Kamara and Ingram. All

those running backs together, they held them to less than 100 yards rushing combined in the last two games.

If you're a football fan and play fantasy you know how good Kamara and Elliot are. They're amazing backs. On the offensive side I like Goff. He played great, especially in the last game under pressure and without Gurley. He was the best running back in the league until he got hurt but you're looking at the offensive side, Goff looks great, confident. When you see him he seems like he's on a mission. He's not fazed by this on the big stage. He also has some good wide receivers, not great but I like that they're above average guys that do their job, Cooks, Woods. The defensive line started every single game this year. They had no injuries when I look at the hot entire package.

When you look at New England, what they've done this year's incredible, getting to the Super bowl third straight year. We all know, ninth whatever, Brady. This guy's in the Super bowl every single year, him and Belichick and with this particular team and all those headwinds it's pretty remarkable.

But, for me I felt like their Super bowl was against the Chiefs and they won. They went crazy, like they won the Super bowl. Not traditional Patriots where they're like "Hey, all right, great, yeah, we got one more game." No, the way they celebrated is like they won the Super bowl which I think is kind of a negative. They really went nuts, see Brady going crazy. I know it was a big win. I get it. You're in the Super bowl but it just felt like that was the ... I can't see him celebrating harder for winning the Super bowl than harder than they won that game. I don't think that's a good thing.

When I look at the Rams, listen, you have two big ifs. You're looking at Goff. Goff I think is going to do fine but is Gurley healthy. Just had two weeks off. He played only a little bit last game and I think he is. That's going to be huge for Goff who could play fake all day and the second if is their defense. If they play like they played the last two, three games the Patriots have to watch out because how you beat Tom Brady is by getting in

his face. Every Super bowl he lost, you look at all the games he loses it's by that front four pressuring Brady. If you do that you're going to win this game. Atlanta did a great job of it two years ago but they ... I think it was 93 offensive plays that New England had. They were just on the field a lot more. Their offense, they weren't really getting their defense rested. Defense ran out of gas in the fourth quarter and Brady went nuts and winded up winning but before that they dominated that game, that defense. Brady was throwing interceptions, you know what it was.

It's getting to Brady and these guys are going to get to Brady. I truly believe that. Their D's been lights out past couple of games. They're going to continue. It's not just Aaron Donald because Belichick is great at neutralizing a team's best player. That's what he does. He takes out their best player but what are you going to do. You're going to double team Donald. Then you've got Ndamukong Suh. You got Fowler who's been playing great. Even the wide receivers, what are you going to do? You're going to take out one of those. It's not like "Hey, we got two or three dominant players." Also, Rams showed that they could win without Gurley. If Gurley comes back even 85, 90% it's going to be huge. Again, they get in Brady's face they're going to win this game and I think they're going to win it easily. For me, my pick for the Super bowl is actually the underdog, the Rams. I think they're Rams are going to win by two touchdowns, maybe close to two touchdowns. 37-24, that's my final. It's almost two touchdowns.

When I look at this game I could be dead wrong. We'll see if that trend continues. Again, I watch football. I analyze it. I look at it. For me, the Rams, the way they've been playing the past couple of games, if Gurley comes back and he's pretty close to 100% after two weeks which I think he is going to be close. He played last game, not a lot, and I think that defense and that defense is going to be fired up. I think Ndamukong Suh has a shot to win the MVP. That's a crazy, crazy call but I think he's going to have a monster game. Let's see if I'm right. Let's see what happens again. We'll check in on Wednesday, but it should be a really, really good Super bowl.

All right guys, look, that's it for me. You're going to be stuck getting a lot more emails and I'm going to let you know because our Curzio Equity Owners token is going to be launched pretty soon. Thanks so much for all you guys. I had an email earlier from Bruce, said "I can't wait to invest in it." We'll open up for the first two weeks for you guys. If we come in at the minimum which is 25,000, we're looking to raise 12 million. It's 480 investors. I could tell you right now if people say what they're going to say, because people say and do ... What they say and do are two different things. We should probably do very well on this just with our lists. I would love to see that instead of really going to funds, and going out there, and marketing plans and stuff like that but for the first two weeks, like I said, it's just going to be available to you. That's what this is about.

It's more than just a security token. It's changing the landscape of the financial newsletter business, giving it back to the people, letting them know you have an opportunity to become an equity owner in one of the most scalable, high margin businesses in the world which you can't do for any other company. Yes, I know you're in their clubs and stuff like that but you don't own the equity. You don't own those businesses that are growing so fast. You just have the products. This is a chance to have all your products and share in our growth and hopefully that growth's going to be spectacular and you're going to make a lot of money on the token.

I appreciate the demand. We're getting well over that 480 right now who have emailed with us and interested. It's overwhelming and it's going to come out pretty soon. I'm really excited, really nervous at the same time. I'll be able to answer more of your questions, guys, once we send you the white paper. We send you the agreements. If you guys have any questions or whatever I'm going to go over everything including the risks especially with you, let you know exactly what you're buying, what you're getting into. You should be able to get all of that by next week, late next week, when we launch. Again, thank you for all your support. I'm really excited for that.

Guys, that's it for me. Thanks so much for listening. Have an awesome weekend. Enjoy the Super bowl. Have some drinks. Watch the commercials. Laugh, have a great time. Hopefully there's no politics involved with the commercials or anything. Just enjoy it, enjoy the game, have fun. It's such a fun event being with your friends and I'll see you guys in seven days. Take care.

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