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 doing out there? It's Friday, February 8th. I'm Frank Curzio host of the Frankly Speaking podcast where we answer all of your questions. Market, stocks, accounting, sports. Anything else you want to throw at me. I created this podcast to answer some of your questions that you were sending through our Wall Street Unplugged podcast which I host every Wednesday.

So, if you want any questions answered just send me an email at frank@curzioresearch.com, that's frank@curzioresearch.com. Be sure to put Frankly Speaking in the headline. You never know, your question will be the one I read on this podcast.

So, in case you didn't know we're launching our Curzio Equity Token next week. Exciting, nervous at the same time. It's finally here. Getting lots of questions from potential investors. Along with some pretty good questions on our recent earnings, which I'm going to cover in a minute. But first, I don't want to, but I have to talk Super Bowl.

So I predicted the Rams were going to win by 13 points. I was a little off on that one since the Pats won by 10. In the worst, not just the worst Super Bowl in history, or probably the worst football game I've seen in at least five years. I'm not even kidding, I'm not even exaggerating. Think about this. One play, one play was run inside the red zone the entire game. I'm talking about both teams. The hand off, the Patriots when they went into the end zone. Every kick was outside the red zone. These guys, red zone if you're not football fans getting inside the 20 yard line. You have the Verizon Red Zone Channel. Kind of Direct TV, it's a little bit of a competitor. If that have that on the Red Zone Channel you would have saw one play. One play. That was it. That's how bad this game was. Nothing you want offenses and defenses isn't cool. But when it's ugly, when people are dropping balls where it's like three and out. The MVP of the game, to me, was the Rams punter who punted a Super Bowl record 64 yards for one of his 48 punts that game. Man, if I had to guess he was by far, I don't know, the most saw person after that game. It was insane.

But like, I had the Rams winning if they could do two things. I said if their front forward gets at Brady, which they did. The team only gave up 13 points, which before the game if you told me that the Rams would hold the Pats at 13 points I would have told you the Rams probably win by three touchdowns. But I also said we need Gurley to be healthy, and you know what Gurley was healthy. But they didn't give him the ball. When you're talking about the best running back in the league by a mile. 21 touchdowns in, what is that, 13 games he played. They gave him the ball 11 times. 11 times ; entire game.

But you know, look at everything and the scope of things just for the Rams side. Just the coaching I thought was horrible. You didn't do anything. Looking at last year when I was at the Eagles game, I'm an Eagles fan I went to the Super Bowl last year. They had a game plan. I mean there's a reason why the Philly Special worked and the guy was wide open. Because you did something that Belichick was not expecting at all. He's like no way would they run a play like this. He could underhand the ball to Foles in the end zone on that free flick at the end of the half. But they were going deep, they were beating them deep because they double the best guys and they have solo coverage on other guys. Goff just had the royal wreath so many times. He had someone wide open in the end zone, wide open in the end zone and you completely missed him.

But it was just surprising. No adjustments, nothing done at half-time. I know screen pass, they had one screen that worked out fantastic. No screens except for the blitzes, nothing. They just sat back. With that said, and Belichick is just unbelievable. If you're really a football fan, you know if you're not I'll get through this part really quick I promise. I got some great stuff to talk about. Earning season, stuff about the my token. But, I mean, he has one of the greatest quarterbacks in the league. He actually pulled one of them because the other person playing that position was a much more favorable matchup against a Rams wide receiver. So, he manages every single game differently. He doesn't have, "Hey, this is my style and that's it." I mean, a lot could be said for that when you look for investing, right.

You look at investing, people have the same style, that's it. I'm a value investor, I'm a growth investor. Guys, if I can give you advice the biggest advice you could take from me out of anything, I've ever said in 10 years plus of doing this podcast. Do not be stubborn, do not, do not just use the same methodology for picking stocks. Always be willing to learn. I'm not saying that because I'm some kind of genius. I'm saying it from experience. As a value investor growing up with my dad I knew very little, the internet boom completely missed. Yes we all talk about the bust, but the boom was 1000% gains in months and weeks just looking at it going, "This doesn't make sense. This doesn't make sense." Instead of trying to figure that out.

When I started working with Cramer I learned about momentum investing. I learned how to analyze companies that … Growth companies. When you're looking at Amazon, or you're looking at Netflix at 100 PE and being able to buy it saying, "You know what, well you have to look at the growth which is 60-70%." So, 100 times earnings is not expensive if you're growing consistently for years and years. Because you know that Netflix was 90-100 times earnings 2004/2005 you're a value investor you don't touch that. What is it up? 10,000 plus percent since then? And you wonder why. Companies like Amazon, Google all those companies have made those massive moves. Technical analysis, you got to start learning a lot of the algorithms in the marketplace. I mean, who knew December how have the market came down. The technicals matter a lot. Not so much where it's … you know, you use that 100% of the time. But, yeah, to get in to get out of stocks. Levels very important these days.

Once those things get triggered, 1000s of algorithms, boom, at the same time hit from different places and they're selling stocks, and you're wondering, "Wow, how is the down another 25%?" Well, be careful. But learn, always be willing to learn. Always be willing to change, always be willing to adapt. That's what the greatest investors do. Otherwise you're sitting there like David Einhorn who was unbelievable with some of his calls, six straight years as a value investor and, I mean, talk about wiping out investors now. It's getting pretty crazy. I'm not picking on the guy, I'm a fan of his.

But, be willing to adapt. Be willing to learn. If someone says something that doesn't make any sense at all, don't dismiss it. Try to figure out what does he see? Dig into it. I mean, with the Shell revolution, I didn't want to go so off topic here. But with the Shell revolution guys, when I went to go see Shell and started investigating everything about Shell, the HBO movie just came out and everything. They were turning on the water and lighting it. It was going on fire, and Shell's band caused earthquakes and the worst thing. I thought I was going to go to the beach, and I thought I was going to go to the [inaudible 00:07:46] and the Eagle forward. I thought I was going to see dead animals everywhere. It turns out that fracking could never ever … Well, I couldn't say never ever. But fracking does not cause water contamination. It's just not possible. Unless the water filters out and you have a truck and you dump it in a lake. But you're drilling 5,000 feet, 10,000 feet below the surface where water's, what, up to 500 feet? You're drilling well below that, unless these chemicals travel upward I don't know the science behind that. I just listen to everybody and I said, "Wow, oh my … Earthquakes." I got the story for myself and came back, we made a lot of money on Shell stocks early on.

When I went to Brazil for the World Cup I thought I was going to get … I wasn't say it in … I thought I was going to get killed. I thought there was body parts in the water. Did you see those stories? "Oh, you're crazy having it there. Nothing's going to be ready. It's very dangerous." It was one of the most beautiful places I've ever been. The culture, the people. It was amazing. I watched at a bar while Germany destroyed in the semi, destroyed Brazil. Everyone that painted face numbers going crazy, everyone upset. You know, there I was having fun, having drinks. Just be careful what you read. Be careful what people say. You got to go do the research yourself and be willing to change.

That's getting back to the point of Belichick. Every team is different. Every week he changes. There's nothing the same. When you saw him on the sideline and watched his side of NFL, it was great because they have NFL films where they mic a lot of these people. You hear him in the fourth quarter when they score the touchdown saying, "Guys, there's nothing they can do to beat us. Just don't make a mistake, know the plays. Know who you're doubling, know who you're covering, run up field tackle these guys. But don't make the mistake of giving them big plays. The only way we could lose." The last play went, the last series for … Before the Patriots kicked the field goal. They're like at 10 yard line and Brady goes into a huddle, they had him mic'd up. He's talking about … He goes and he says, "Guys, listen. No penalties here. We're going to run the ball right down their throat. No penalties, smart, guard your guy." You're talking fundamentals. You're talking eighth grade fundamentals.

That's how important the fundamentals are. Where you're not having penalties, they're ended up running the ball up basically kicking the field goal and winning. But when you look at that it's just incredible and you got to give them credit. I don't care if you hate the Patriots or not. But a person that's willing to adapt to every single game. Sitting players, make sure you do your job. You're looking at a Ram team where if you look at almost every single position, including quarterback this year.

You're looking at stats, I mean they're better at almost … At a lot of positions. At a lot of positions, not every position, but a lot of positions. If you look at a team by team basis you'd have to say the Rams have a better team. But it's about coaching, it's about fundamentals. And man, you saw a team that had no idea what to do, which, again I didn't expect. I knew they were young, I thought they'd be a little loose because when you're young you think you can conquer the world. You're not worried about anything.

Let me tell you, Brady didn't play good at all. He didn't play good. Edelman played great, he was … Gronk caught a couple passes. But overall, I mean, if your offense played like it usually plays, you're overthrowing people, you're not adapting. You're getting blitzed. I mean, you're looking at Goff threw the ball away 10 times, and took sacks. He took sacks, like two or three sacks he could have threw the ball away so much earlier. But you're looking at everything as a whole, wow. I just wish that game was a little bit better. But man, you got to give credit to the Pats.

More important, guys, bigger picture. Last year was the anomaly. I remember the Super Bowl because the Eagles were in it, and as a fan I'm a fan I went to the game. So we have to throw out that sample. So, nine out of 10 Super Bowls I was wrong. I love doing this because even when I said that last year, the Eagles, I do this is you can make money. So I come up with everything, all the facts. Visiting, I follow football, just bet the opposite and you make money. Because that's what I want to do, that's my job is to make you money. Even if you're betting against me, which is fine. But, there's no trend there, just continue. It's going to continue to happen. I'll analyze the Super Bowl, guys. Keep betting against me and hopefully you guys make a ton of money.

For me, I just wish it was a little bit more exciting of a game. I like defensive games, but man not games like that where one play in the red zone. I've never seen that. I've never seen that in my life, in football actually, I don't think. One play was run in the red zone out of both teams. One play the whole entire game. Painful, painful, pain.

Okay. Let's get to the fun stuff. Let's get to some of your questions. So I have one from Ben, "Say, Frank, love the podcast and I'm a lifetime subscriber. My question: I'm watching earnings closely this season. Is there anything that stood out to you in terms of small caps, mid-caps, any sectors you're interested with 75% of the companies reporting thus far?" He says, "Thanks, and glad you have a better track record for picking stocks than the Super Bowl." Appreciate that Ben.

Two trends that stood out to me, thus far. Two important trends. Earnings from oil companies, not so good. The guidance they gave, most of these companies' way, way, way too aggressive. They're all priced at current levels, and yes they're up a little bit. But you have supply near record levels. These guys still continue to produce like crazy, and you also have some of the major Shell producers warning of slower production. Remember, when you tap an oil well, guys, there's depletion. Some of it happens very, very fast. I don't know if everybody knows this, but from learning through oil only about 10% of the oil gets extracting when you're fracking. Just 10% they capture believe it or not. But, they deplete very fast, and you got to drill a lot more. But it was just interesting to hear some of these companies say that, "Well, we're going to see a little slower production," which means what? Which means lower profits going forward at a time they can't really afford it. You're not going to be supported by higher oil prices. I mean, there just too much supply in the market.

The big point here is if you go through periods where things aren't that good it's nice to have a good balance sheet. If I had to guess, maybe 5% of the companies in this industry have a good balance sheet. Debit Energy has the best balance sheet out of all of them, returning capital investors. Yet you have some of the majors, but most of the mid-caps, small caps are leveraged out the you know what. They pushed all this debt further down the road over the past couple of years where the companies that almost went bankrupt in 2015/2016. Oil prices rebounded, when they went down from, what was it, 100 to like 70 and then all the way down to 30. Then they rebounded as high as 70 something I believe. You know, pull back since then. But at current levels they're not making a lot of money. They're pretty close to break-even right here. They still have an enormous amount of debt to pay that's coming due.

So I'm looking at earning companies, and man I'm worried. In this sector I cover a lot. I'm very good at predicting the actual trend when it comes to where oil prices are going. Unfortunately when it comes to some of the stock investments things that I think should go up when oil rises 30-40% don't go up as high as I think they should. Or are usually late to the party. But when I'm looking at this trend and just seeing the guy is very optimistic considering prices are kind of at break even. You're going to see slower production, lower profits, and these guys have a lot of debt. Just be careful with this industry if you have exposure. We have a little exposure on our portfolios. But just be careful, because the guidance that I'm seeing is very, very optimistic. I just see them making it. It's kind of like Apple. Apple I did like, it actually got very attractive. Under 150, dipped there for a little bit. Then came out with earnings and maybe popped back up to 160 plus. Now everybody's optimistic on it. For me, now I still think those numbers are very optimistic for Apple as well.

You're asking me what other trends. I said two trends. So one of them was oil, the other is horrible companies. Horrible companies, ones that got smoked as they're reporting week earnings. At least over the past three quarters. Then there's stocks that got smashed even more, right, when we had that whole Q4 sell off. This quarter they're reporting decent numbers, decent guidance and their stock prices are surging. You say, "Frank, what do you mean? What stocks you talking about?" Come on, Mattel, GoPro, Snap, Sketchers. Companies that got destroyed, they were getting hammered. I mean, you see these things after they report earnings. Like, 15, 20% moves. These things are surging. Which means what? Which means extreme oversold conditions, but guys this is something that you should look for. I'm not saying invest in these companies.

What I'm saying is that there's a lot of companies that just get hit and get destroyed. They get destroyed to levels where all these risks get factored in, because they're down 60/70% and you get good names. Mattel, Sketchers brand names. But you have these companies where the fundamental's start making a little bit of sense. They're cutting costs. Saving money, maybe use that money to buy back a little bit of the stock and then maybe they're finding something that works. With Mattel hiring the girl from Wolf of Wall Street, what's her name? Barbie, she's going to be the next Barbie, whatever. You have a great marketing campaign that's going to come out to use as an example. All of a sudden, now that you cut all these costs and you report earnings and it's just … There a bit good. They're not great, there not blah but there just good. But the stocks are going to go up 20-25-30% because these companies are beat up so bad all they have to do is go from bad to less bad and you see these massive moves.

So you can find a lot of ideas, I found a lot of ideas. AVAV, Arrow Environment was a stock that got destroyed, I think it's 20/30s or whatever. You know, it was one of our CVO recommendations, one of the best stocks in our newsletter. Went up over 300%, we bought it when everybody hated it. Everyone was going crazy but all those risks were factored in. We saw all the initiatives that they were doing, which made sense. Not focusing on the consumer as much but focusing more on government. Or allied governments and selling drones.

A really key area, key things they were focusing … I mean, I just love their growth plan which was going to take time. Because they cut back and said, "Hey, we know the consumer market's not going to be as great going forward," this was like two years ago. They were right, and now one of the biggest sellers of drones to governments all over the world. I mean, they basically used to sell to the US government. Now they said, "Hey, we're launching globally." I love the plan, and management did a great job. They executed whoever the buyer of this stock totally out of favor. The thing took off on us.

But try to look for ideas. Don't just look at a company and see down 60%. If it's down 60% everything you read about it going to be bad. What you want to find out is what's the reason why it went down 60%, is the company addressing that and is there a good possibility that they could change? It's a retail company, will we got the products wrong. It was the weather or whatever. Are they addressing it? Well we got to cut inventories. Looking at next quarter, well it takes a couple of quarters. Well, they cut inventory. Maybe they're ready for, they have a great season and they have the right products out there next season. Then they're going to blow out earnings and that stocks going to take off because they got nailed.

I mean, Macy's came all the way down, then went all the way back up. It's come a little bit back down. It's been volatile, but I think you guys get the point here. That's what you want to look for. If you look for stocks that are beat up, good brand names, I'm still seeing a lot of them even though we had a great January. Man, you can buy Sketchers which is launching, you know you see the marketing campaign. It's all over, using a lot of athletes now. That makes a difference. Believe me, sneakers all about athletes. I'm a huge sneaker guy, I played basketball all my life. It's big. I bought Jordan's all my life. You buy … LeBron James, Kyrie Irving's or whatever they have now out there. But, and Kobe Bryant's. But it makes a big difference. Company turned around, had a great quarter. Now, you know, you're getting 20% in a day. Not bad. Not bad.

Let's move on. Next question is from Michael. "Say, Frank, I've followed you for about 10 years and appreciate all the education you offered me on the markets. I'm interested in investing in your company and would greatly appreciate the white paper you referenced. Much appreciated, look forward to investigating the opportunity. Many thanks again, and appreciate all you do."

Thank you Michael. So, we're launching next week, so I'm going to be able to send all this information to you. White paper, safe agreements, I have everything if you're interested in investing in it. Again, you have to have a special 800 number, all these stuff. If you're interested frank@curzioresearch.com.

Listen, guys, I'm really excited about this deal. My goal … We're looking to raise $12 million. My wish, my real wish, this is what I hope for. If we raise $12 million I'm hoping that it comes from just my listeners and followers. I really do. Because I feel like we're in this together, I want to grow this company. I know it's only available to credit investors, if you're not a credit investor I understand, this is how we have to structure the deal. But, guys, if this happens it's going to be really great for you. It really is. I mean, we're talking about bringing on so many new editors, guys that I've interviewed. Interested in starting newsletters, providing more education, more videos. It's not just going to be me. I'm putting some great people in front of you. Really the way it's supposed to be. Just really good research. Guys that know what they're doing, that are out in the field. Giving you great information. That's where you find the best ideas, when you're out in the field.

I mean, you have to have an editor that's … I'm not talking about someone who goes to their own company conference and you see them. I'm talking about someone that … He's got to be out there. He's got to be in the field. That's his job is responsibility. You have to have podcasts. This way you get to understand these people. Know the methodology for picking stocks, or interviewing guests. That's what we want to bring to you. I mean, that would be fantastic if that happens. If that happens that's $25,000 minimum and that's 480 investors. I can tell you we have a lot more names than that, that are interested right now.

So if you are, frank@curzioresearch.com. The first two weeks it's only going to be open to you guys. Listeners, followers, subscribers. After that it's going to be open for a two month period in total, eight weeks, and we're going to market to the masses after that. We're getting a lot of interest, a lot of people. Lot of funds to go meet and things like that. But, I would like to say, "Hey, sorry." Because this isn't going to an offering like you're seeing from traditional stocks where they're like, "Hey, we're looking to raise $10 million. Oh, this is oversubscribed, we're going to raise $20 million dollars and dilute the hell out of you." No. It's 12 million that's it.

It can come from 480 investors, it can come from 100 investors at 120 grand each. But once we hit the 12 million that's it, I'm not going to say, "Oh, wow, we can raise more." No, I don't want to give away more ... We're giving away equity in our company. I don't want to give away any more equity. We're giving away 25%, which you're lucky if you see anyone give away 5% in crypto. We're doing that because we want everybody to partner with us. We want to grow this company. We know the model, we know how it's done, we have a team in place, we know who we're going to hire. It's all planned, it's all outlined and we're really excited. We want everybody to share that. That's why we're giving away so much equity in the company. It's not just about me, it's not just about my team. It's about everybody. It's about the network, it's about all of you. So that's why I'm really excited.

Let's take on one more question. Or questions I should say, from Scott. He says, "Hey, Frank. Super excited about your CEO token," which is the Curzio Equity Owners token. He goes, "I have the $25,000 ready to go. Couple of questions. Are you using the SECs accredited investor qualifications, which is basically $200,000 in annual income for the past two years. Or, is it a net worth of more than one million excluding the primary residence?" That's the definition of accredited investor, guys. Scott says, "I meet the income requirement because I'm just a couple of years out of residency." So he said he meets the income requirement but he does not meet the million dollar requirement because he says he's out of residency, fellowship. He says he's a radiologist. "Because I do not yet have the one million net worth, I tried to create an account at tZERO but according to their sign up you must meet both of those requirements for them. Any reason why they do that? If you see click options, or this button." and actually nice enough to send me a link. He goes, "You'll see what I mean."

So Scott has three questions, but I want to address that one first. We are using all those checks. You're going to have the truth of being a ... Proof of being accredited investor, but one or the other. It's not both. I sign up to an account for tZERO and when I showed them, I just showed them income related. So I was able to do it. I'm surprised that, that happened. But I'll take a look at that. But it's usually one or the other. You don't need both. For us you're going to have the KYC, Know Your Customer, AML Anti-Laundering, and you're going to have to show proof that you're accredited investor. So you have all of this, why do you have these checks? Because we're going to know every single investor who invests in our token. Why is that important? Because now we can go to tZERO, now we can go to Coinbase. Now we can go to the largest digital security exchanges that are launching. Open Finance and at dozens of others.

The first question they're going to ask you, "Do you have all these compliances?" Yes. "Oh, you do, okay. Cool." Because then they know everyone of their customers. It's just like if you gave your social security number, open up a brokerage firm. It's very, very important. You don't realize it, but you know, they're making sure. If you're a criminal it's going to come up on that. Even if you're just signing up to put $5,000 in a e-Trade account. So with this we know all of our customers, we know everybody. Everything's legit. This is why I believe this industry's going to take off. Because people are starting to do it the right way and give away equity stakes in their business. But, yes, all those checks are available and you only need one of those. So you're going to be perfectly fine, Scott.

Now, Scott asked a couple more questions that are people good. He says, "I have lifetime memberships to all your current newsletters. I'm excited to participate in your STR regardless, but on one of your past podcasts you mentioned that lifetime members would get a bonus. Is that in addition to the 10% bonus you were offering your podcast listeners?" So, everyone who's listening to this right now, subscribers, they're going to get an automatic 10% for the first two weeks. Which means our tokens coming out five bucks, you're going to be able to buy it for four fifty. A long with getting our products for free, along with potentially paying a dividend. Which we potentially pay a 3% dividend which would be annually, but we pay quarterly. So a lot of really good benefits, have an access to this market which tons of companies are coming to us now, which is fantastic. I mean, this whole process is very difficult even if your know the right people. The fact that we've been through it, and can explain it to people just opens up a massive market for us to really get in front of the best ideas in this industry, which is really cool.

When I look at everything as a whole, you know, I'm just very excited. Especially the demand that we're seeing from just … you know, from other companies looking to get into this market. And it is happening, guys, it's not coming. Four months ago I'm like, "Whoa, this is cool." The last four months we've seen a lot of deals in this space. I mean, it's happening now. It's real. tZEROs platforms up. Open Finance platform is running. These are not like the past ICOs where you're not getting equity stake. You're getting equity stake, this is different. These are securities. You're registering, they're compliant. It's not so much that, you know, we're raising mine through Reg D, that's how you usually raise money. You don't have to register with the SEC. But, the exchanges have to register with the SEC. So everything has to be compliant. They have to know everything about their investors. That's why we're doing everything by the book using the best lawyers, using Securitize, who partner with IBM, to unlock the $82 trillion. Basically tokenize $82 trillion corporate debt market.

I mean, that should tell you enough. 82 trillion. I said trillion, yes that's right. Along with 200 trillion in real estate assets that can be tokenized. So this market's here, it's happening now. But you save a 10% discount, yes it's going to be available. But there are subscribers that own every one of our products. For all of you out there that owns every one of our products, like you Scott, we're going to send out personal email and offer you even more. Because that's just what I have to do. I mean, you guys have followed me, you guys … I mean, subscribed to all my products. I mean, come on. We take care of our people, that's what we do, that's what I grew up doing. That's how my dad taught me, my mom taught me. I mean, that's what you do. That's how you build relationships for life is you take care of the people that take care of you. You're the guys who allowed me to really excel and make this thing work over the past two years. Now we're going to take it to the next level. So I'm really excited. So, expect an email for anyone that does own every one of our products, which I know does cost a lot of money. But you're going to get something real special and you're going to get that email in a couple days, just before we launch.

Last question, because Scott has like 80 of them here. I'm just kidding, Scott. He's got three of them. He says, "This might be discussed in your upcoming white paper, but what happens if someone loses the password to access their ARC20 token? It would be gone forever. Like an unknown percentage of your Bitcoin is. How is this taken into account when valuing the token?" If you knew that some of your tokens were permanently lost then you could remove them from the total count. I guess it would be similar to a company buying back their own stock and destroying those shares." He says, "I think that's about it when it comes to the questions." He says, "I'll send more as I think of them. Thanks for all the work you do." Scott, these are all great questions. Thank you so much.

For the last question, this is where it gets pretty cool. We're going to know every single person who owns our tokens, which a lot of people don't know when it comes to ICOs. Or, utility tokens. Where a lot of them are overseas, they don't have these checks, you don't know where they are. So the fact that we know every single token, especially over the 12 months where it's not going to be trading and we're going to send you the token just before we start trading. But even if you lose those tokens, since there's walls that we're going to be creating that can be created on our site and we have track of this we could basically create new tokens for you and disregard those other tokens.

So, it's not that you lose them completely, because we're going to have the information of everyone. Even when we're trading. Just like if you go to any company and you ask them how many shareholder, they know their shareholders, they know the names of their shareholders. They have all of this. I asked a company … So they have 23,450 shareholders. They know, because all of this is standard. That's what this industry is coming to. I know that worries you, and I'm hoping I'm doing a good job of explaining this. This market has nothing to do with what's going on in the past with utility tokens. Where they're not backed by anything. Where these guys made all these promises and there's nothing, there's no companies, there's no revenue. They're supposed to share a portion of it.

Most of these things aren't built. These guys kept their money that they raised in crypto which is down, whether it's Bitcoin or Athyrium which is the two most popular that you invested in these things in, in these companies. You pretty much used … And Bitcoin, and they're down 80%. A lot of these guys didn't put that money into cash. They kept it there and that explains why Athyrium's gotten crushed, and Bitcoin. All these investments, all these companies. It was so big, right. I mean, then what happens? Now you realize, wow, I raised $10 million, $20 million, $30 million that's sitting in Bitcoin and Athyrium now it's going down 10%, 20%, 30%. Wow, I better get out of this. Dumping it, dumping it. These companies dumping by the millions.

Remember, we're talking about an industry that's not institutional. You're not seeing million dollar orders. I mean, Bitcoin went to 19,000 from mom and pop investors. 1,000 here, 2,000 there, 5,000 there. Yeah, you have few that made a fortune, but you don't have the Goldman Sachs in here, the Morgan Stanley's. Or the big traders, and big funds. That are throwing around billions back and forth. But you have this massive sell, or rush to get out of this. This way they can maintain their cash.

So when you're looking at that, that's important to understand guys, where we just saw an exchange, right. A guy had his passwords for exchange, was 180 million. He has the only password to the exchange, think about that for a minute. I mean, this story was close to my heart because the guy passed away in India of Crone's disease which is what my daughter has. He has the only password, they can't get in. I know, if you have a cold storage device you have to write down, like, 20 passwords. They give you 20 different passwords to write down. 20 different little, water and dog, and cat, and book. They have 20 different things in a row. If you lose that, I mean, come on. That's not the industry that's going to have ... Plus, not only that if you're looking at your wallet personally these brokers, like Coinbase. I mean, you could store stuff on Coinbase. Use the wallet. tZERO it's got to be like a brokerage account where you don't see your shares, right.

So when we say tokens don't think of a token, right. It sounds pretty cheap. That's why they're changing it from security tokens to digital securities. But it's just digital contract. Showing that you have ownership of these shares for the block chain. So now you have ownership of this, and just like your shares you never see them but they're going to be accounted for on these exchanges. You're money's going to be insured. tZERO, they're going to be licensed the SEC. That's what's coming. That's what's exciting. Because there's so many assets that are liquid that can tokenize and they could do it without worrying about the massive fees. I mean, the bond market. The fees these guys charge, and control, and investment banks. Imagine.

Thinking from an investors standpoint, how many investors, individual investors, own bonds? I mean, the owner, Mike, you can get a mutual fund then you get an ETF. What, they're going to bang you out in fees, right. Well, now you can own individual bonds through token buying and selling them. Earning interest on that token. So it opens up a massive market, guys, especially for individual investors. And also institutions. Because you're seeing a lot of bigger companies, you're not just seeing smaller companies do this. But bigger companies as well. They're starting to tokenize their assets because it makes sense. I know personally, guys, that people are leaving Goldman Sachs and Morgan Stanley to start their own companies to tokenize assets. It's here. We're in the middle of fit.

I'm pretty excited about it. So, cross your fingers. Because there is always risk to everything and at the end of the day even through the token's exciting, it's cool, you're investing in me, you're investing in my company. You know, you guys need to know that. So, it's up to me to really build this company into one of the largest financial publishers in the world. That's what I intend on doing. I'm not going anywhere. Getting more healthy by the day, and working out, and I'm excited. We do have a lot of people coming to us that want to get hired, that are just ... Love our ideas, want to work for us and it's going to be a really, really cool road. So I'm looking forward to that journey, looking forward to taking it to you.

So, next week it starts. If you're interested, guys, if you're a credit investor just email me frank@curzioresearch.com. That's frank@curzioresearch.com and we'll send everything to you. The white paper, the safe agreement, the website. You're going to know exactly how to invest in this. We're going to go everything with you before you invest. Risks as well, I want to make sure that you know everything about what you're investing in. You're not going to hear too many people say that, right. They're just like, "Oh, send me money." No, I want to make sure that you guys understand exactly what you're investing in and the potential that you have. Also we're going to set up an 800 number that's dedicated just to investors. If you have any other questions, or any other troubles signing documents or getting anything up and running. This way it has that personal touch, because this is something that's original and new. Yeah, pretty cool that we are raising money through a digital token.

So, guys. That's it for me. Make sure if you have any questions or comments I'm here for you, frank@curzioresearch.com. Experience about … I know I've been talking about security tokens, digital assets. We're launching this thing and I'm getting a lot of questions. That's been a big focus. But, once this period is over it's going to be really cool and, again, we're looking to hire a lot more people. Get some … A lot of guests on here talking about stocks. With Sean Patrice in on Wednesday. Give you lots of ideas. Hopefully you wrote a lot of those down. Give you his top 10 picks 2019. Again, I love this. You get to pick some of the best minds for free and listen in to what they're doing, the methodology, their picks which is really, really cool.

But guys, if you have any questions, comments, again I'm here for you. Feel free to email me, frank@curzioresearch.com. So, that's it for me. Thank you so much for listening. I'll see you guys in seven days. Take care.

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