

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: What's going on out there? It's Friday, November 16th. I'm Frank Curzio, host of the Frankly Speaking podcast. We're answering all your questions. [inaudible 00:00:23] that kind of sports. Anything else you want to throw at me. The greatest podcast answers more of your questions that you will send me through my Wall Street Unplugged podcast which I host every Wednesday. So 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 may be the one I read on this podcast. Let's jump right in here. A lot going on. Everything going on. Crypto's crashing and market's weak, and tons of questions in. Let's start with one of my favorites. I shouldn't say too many bad things about this company since this company could actually shut me down if they really wanted to for podcast purposes.

But, the question comes from Jeff. He says, "Hey, Frank, nice call on Apple. The stock is down 20% from its highs. Would you jump back in here? I'm a loyal subscriber. Thanks for all you do."

I love Apple. Apple's an amazing company. I own all its products. You're listening to this probably through iTunes. There's other ways to listen to this, but most likely most people, I think, through iTunes. Great products. Massive cash

balance of \$200 billion plus. Largest company in the world. Because when you look at a company just because it's great, it doesn't mean that the stock is a buy, right? Snickers is a great candy bar. It doesn't mean I got to pay \$50 for it, right? No, I like to pay whatever ... what do candy bars go for now? I think it's over a dollar now. Maybe you can get them for a dollars still.

But Apple, and in all fairness I was a little early to the call, but I want to say things before I even get into Apple here, guys, I want you to please ... there is conference calls I cover earning season. I like to cover it thoroughly. It's one of my favorite times of the year. You get to listen to so many different conference calls not so much for the company itself, but they give you, especially when you listen to infrastructure companies, you listen to bankers and the largest banks, but they give you just a good perspective of what's going on globally, what's going on with different sectors, what's hot, what's not.

The most important company in technology that you could listen to, guys, when it comes to a conference call, it's the biggest leading indicator that you ever, ever will listen to, is Taiwan Semiconductor. Just listen to that conference call. Let me now listen to it because, you know they have heavy accents, stuff like that. But they produce, they make the chips for almost everyone in the world. Samsung, yes, they have their own foundries, they have Intel a little bit, but almost everyone in the world.

This is a company I have them on portfolio that's doing okay. The market is down a little bit, but it's okay based on its dividend. Amazing company, right? Because they have, I think, 60% margins. Think about that for chip company, but they produce all the chips for almost everyone in the world. They keep things under wrap but that's one of the big things with them. You don't know what they're producing. It's very important to keep that secrecy, right? You don't want Samsung to know what Apple's making, and Apple know what Samsung's making; otherwise, they could jump in front of them and take market share.

With that said, three quarters ago, they would say they actually broke it out. I don't know if they did it by accident. I think it was something like \$250-300 million they said they generated on crypto. Booming market, everything was great, awesome scene, massive demand. They make the chips five and bit main and all those are computers that you use. [S9 minor 00:03:55] to [N minus 00:03:55] and stuff like that, S11s or whatever they are now.

I was amazed. I said, "Hey, guys, do you really know what's going on crypto? This is the company to listen to. They're going to tell you what's going on crypto because anyone that's buying these machines or buying anything, it's going to show up through this company." Then, they started a warning and they said, "We're not going to break it out the following quarter. We're so slowed down, we're not going to break it out anymore." \$250 million dollars is considerable. I think it was, maybe, three, four, five set of revenues, or whatever it was, which was considerable, right, considering they had nothing the quarter before or two quarters before? That's how big crypto was. It was mining their own coins.

You're looking at Taiwan Semi and they warned and said [inaudible 00:04:42] to slow down, especially across mobile. Then, you saw all these companies stop warning like crazy. Apple didn't warn. Apple went on saying, "This is great. We're seeing more demand than ever it's in [inaudible 00:04:56] We're awesome. We're seeing great." This is two quarters ago, not the recent quarter. Well, he actually said, "You know what? We're not going to report unit sales anymore for the first time in our company. We're not going to report how many iPhones we sell."

Let me put that in perspective for you. You always told us how many iPhones you sold. All throughout since you created the thing, whatever the year that was. 97, whatever it was. Now you go on and you say, "We're not going to tell you how many units sales we have." And you come up with this lame excuse of why. We're not going to do it, right?

More than 65% of their sales are generated through their iPhone. Apples are my phone companies. Most of the services are going through the roof. This is great. We're watching all this, whatever. Apple Home, Apple TV, all this is nonsense. It's an iPhone company and the company's saying that, "Hey, this is our biggest product, iPhone, and we're not going to tell you how many users are." It's like a pizzeria not telling you how many pizza pies they sell. The reason why they do that is because it's going to be really, really, really bad. Okay, that's why Apple did it. I love Tim Cook jumping around. I know he's an optimist. I like him. He's amazing, does amazing job since [inaudible 00:06:11] Steve Jobs.

With that said, if you look at Taiwan Semi, they will tell you this whole time, massive slowdown. Those at Apple, "No, no, we're fine. We're fine." Now, you see it. Now you've seen that slowdown. You've seen a lot of the people who create and these companies that create the chips, the technology, or whatever, if it's 50, 75, a 100 different companies, all these little components made by different semi-conductor companies. And when you see a company like, what was it like, [inaudible 00:06:38] whatever it is, who have won tremendously and its stock got hit and had 3D technology specifically in the iPhone, now you're seeing everybody finally lower their estimates.

In fact, everyone was lowering Apple's estimates anyway into, not this quarter, but the previous quarter. Nobody talks about that because you only see upgrades and downgrades when they report on CBC, the news, and stuff like that. You don't see when [Alice 00:07:01] lowered their estimates a little bit and everyone in the house were lowering their estimates into Apple's not this quarter but the previous quarter. And they beat. They beat the number. They beat the consensus estimates and everybody was high-fiving and the stock went a lot higher. It was great. But nobody talked about, if the original estimates were kept in place, they would have missed last quarter, too. The little things you need to know, but the stocks still went higher. It's Apple. Buffet loves it. He's a technology genius now. Oh man, it's great. He's making so much money. He didn't do well in IBM,

but he's making it up on Apple. Good for him. I'm happy for him. I don't care about those guys, I care about you.

Here's what you have to know about Apple. It's pretty close to fairly valued. All the other stock that's come down 20%, but when you look at the numbers, guys, you have to be [canny 00:07:48]. You look at Goldman. Goldman Sachs has a neutral rating on it, a tag of price higher than where it is now. Maybe 5% higher than whatever it is now, but they reduced total iPhone unit sales by 6%. Let's put that in perspective. Because when Apple's on the call, they said, "Well, we're not going to point you in sales."

They also said they're seeing a lot of weakness in international markets. That's their biggest growth market, right? Russia, Brazil, Turkey, India, China. That's their big growth market. I mean, looking at 6% cut, it works out to 15 million iPhones. Once they're the average prize, at least what they report is around 700, a little bit more than that, I think you're buying it from whatever, 1400, 1300, 1200, depending on the carrier. Verizon, AT&T, Sprint, T-Mobile, whoever you're buying it from. When you do the math, it's \$11 billion. You say, "Well, \$11 billion isn't that much for a company generating what? 250-260 billion in sales, that's the projection." You say, "Well, that's not that bad."

But you have to realize, guys, alright? I'm been covering stocks for a long time. When you remove a growth component, because you look at Microsoft, right? The lost decade, which is really the lost 13 years for Microsoft, their profits went higher. When Ballmer took over in 2000, left in 2014, it's no coincidence when Nadella took over right in 2014, I mean, the stock from 2000 broke through 30 and then go above 30 until 2013, as soon as, and they made that management change, Ballmer left, or fired, whatever you want to say, whatever you want to call it these days, the greatest thing that ever happened to them because his net wealth went up by a factor like six. Unbelievable because he owns a ton of shit, isn't it?

Nadella came in, had a cloud background, put Microsoft on cloud, but that ended a growth component to Microsoft. That's why Microsoft went from 30 to over a 100. It wasn't because the profits were declining but they couldn't find a growth market. They just were overpaying for everything and had to write everything off. Apple right now, their growth is iPhones, and it's no longer growing. It is, but not that much. How many times have you seen Apple? Think about over the last six-seven years. Is Apple even giving away free phones? Because they're giving away like anything now. You switch your carrier, they'll give you a phone, they'll give you an extra one. They'll give you a \$700 credit which is, I think, good enough for the low-end phone. You got to pay a little bit more. I mean, I gave my daughter an iPhone 8. Not that I want my daughter to have an iPhone 8. She's ten. But they gave it to me for free because I upgraded to the 8 and my wife actually has upgraded to this one, to the newer one, because her phone was over two years old.

But when I upgrade to the 8, they said, "Hey, if you changed one of your lines and at AT&T, then we can give you a new phone." And my daughter, she's using it. She's had a phone for a year. I said, "Okay, she'll change her number. Give her the phone for free. Give her a new one." Not that I want to carry an 8 around. That bothers me. I'd rather get an old phone, but I got it for free. I got it for free. Why is Apple giving away them for free? I'll tell you something. Giving it away for free gets you in that system, right? Gets you into that whole entire web where you're purchasing everything, you're on iTunes, cloud, all your service fees. But in the end, you make a lot of money on those iPhones. That's a big generator of revenue.

Now, when you look at that and you look at what else? I mean, iPads? Barely no growth, uni-sale growth. No real unit sale growth in Macs. So now you got to raise prices and it's not that easy seeing to raise prices on hardware, which they've been getting away with for how long, which is surprising. People pay \$1400 for a phone that's pretty much just like the last one, maybe a little bit of camera. Well, I could look at it in terms on

holy cow, it's not a difference maker. I don't get a [inaudible 00:11:37] on Apple here. I'm just saying as an investment right now, you could probably see another 10% downside. I don't know, if I see a tremendous upside, but when you remove a growth component from a growth stock, and Apple's a growth stock, hey 16-17 times earnings now. It was trading higher than that. And people say, "Oh, if you back out the kid." I said, "No, just go straight up, okay? Let's not make excuses if you're a bull or excuses if you're a bear." Let's go straight up

Frank Curzio:

Let's not make excuses if you're a Bull or excuses if you're a Bear. Let's go straight up with the analysis. Okay, when you're looking at a Cubbie's training, right now, 16 times forward earnings. And I don't know those earnings are they're gonna buy back so much of their stock 'cause they're a great company. They have a ton of money in their balance sheet. Guys, two hundred billion dollars. Over two hundred billion dollars in cash. Putting that in perspective, I mean if I had to guess, there may be ten, twelve, thirteen companies? Don't quote me. I'm curious about if I'm right. I'm not gonna look 'cause I'm tired. That have a total market cap of over two hundred million. You know, IBM's market cap is a hundred million.

And they have over two hundred million in cash, pretty close to 250 I believe. So they're gonna use that to buy back a ton of their stock, but do you really wanna buy it back at 16 ... I'd rather they buy it back at 12, 11. That'd be better. Or spend some money and really build out your platform for streaming and start hiring talent. You have the money that Netflix doesn't. Buy Netflix. Got a nice discount on it now. That would be a great purchase for Apple. Holy Cow. That stock will go through the roof. Worth every penny. Maybe you see that down the road.

But right now, Apple in its current state, when you remove a growth component, that's what happened to Microsoft and it traded at a level where it didn't really go anywhere. It traded lower, higher, what was it? Between 22 and 27 for like ten years. But Apple's there, unless they find a growth component 'cause they're not gonna continue to sell iPhones. It's a saturated

market. The mobile phone market. And they used to sell one phone every two years, then one phone every 18 months, and they're like, oh let's see if we can push, you know, a phone out every year. Then it was two phones and now they're shoving three phones down your throat every single year. How many phones could people buy?

They're seeing slower growth. So you're taking it internationally. They actually said, that's their growth market, which is slowing. So when you take a growth component out, you're gonna see strong earnings, you're gonna buy the crap out of their stock with their cash balance, you're seeing a 20% haircut in this. I don't see the stock getting crushed and destroyed. I think maybe 170 might be the low on this. You might get a little cheaper, but I don't know if I'd go in and buy it. But also getting back to what I originally said with Taiwan Semiconductor telling you that Crypto is declining. And you see Nvidia. Thursday night in the close. Getting destroyed. Crypto revenue kind of dried up.

Again, you're looking at a massive growth stock. You have to see that's the holy cow, that stock. I mean I remember looking at it. I thought it was overvalued at over 90, 150, I mean that stock just kept going higher and higher and higher and they put up those numbers. They deserve to go higher. Just unbelievable into every growth market you can possibly think of but now one of their growth markets is kind of dead. Cause nobody can make money, data mining and mining for Crypto right now. Not where Bitcoin is. Not where Ethereum is. So if you're looking at those markets, you'll get TWN 70. TWN is a great company to listen to their conference call. It gives you indication of what's going on all in technology. Which products are selling. Which are not. They'll tell you where you're seeing strong demand, where's weak demand, maybe gaming and chips and high-end chips. Yes. That was strong. They were telling you that a couple ... but for how many quarters and look at Nvidia. Look where it went.

I wish I was listening a little more clearer. But they're saying

that mobile handset, they were lowering estimates themselves, saying demand's coming down. Again, those are the ... what you wanna build components for your phone, they're the people you talk to first. And if you're not getting those orders, then you're gonna see it later on when Apple reports. Maybe a quarter, maybe two quarters later. And if they get massive orders, they're gonna say hey, you know what, this market's strong, those chips that they're building are going to be putting products that are gonna be sold maybe three, six, nine months from now.

So it's a leading indicator. Getting back to Apple, I wouldn't buy the stock here. I just recommended another large tech company with much much more upside potential. Much more. I won't even give it away, any hint, I don't wanna give it away if I curse their research advisory that came out on Wednesday. But Apple, I think is kind of a hole. If I see it 170, I think it'll be a great buy. If I see it go, over 200, 205, 210, I'd probably short the stock. 'Cause again, you're taking a lot of that growth away, and estimates are starting to come down. They'd have to come down a lot more. In order for Apple to make their numbers, even after these cuts, they better buy back a lot of their stock. But, they're gonna have to make it in the top line as well, and that's where you're gonna see real demand, which is sales. And I don't think they're gonna be able to meet those estimates going forward. They just ... listen, it's an iPhone company and iPhone sales are slowing.

So, hopefully .. I covered that a little bit more than I wanted to. But, let's move on. Get to the next question. It's from Robby. It says, "Frank, I hope all is well. A lifetime, Curzio Venture Opportunity and Curzio Research Advisory subscriber, loyal follower, of both podcasts as well. I enjoy the podcast and your writing and appreciate everything you do for the little guys. Also, I'm actually waiting the release of the Curzio Research STO as I plan to participate in the offering".

I really really appreciate that and yes, I'm very excited with the Crypto offer, with the security token offering. What I've

learned over the past few months, I mean it has been it has me more excited than ever and I'll cover a little bit more in the next question as well, but you're looking at this market. It's unbelievable how many security token exchanges are gonna be launched. And I now you're looking at Crypto and saying, "Frank, Crypto's crashing". No, don't think about it that way.

This is security token offerings. If you're looking right now at the current market and I explain this to everybody, the current market is garbage. You don't have an equity stake. A lot of these guys who raise money, they're probably completely out of cash right now. 90% of the current market's gonna disappear. 90%. Without a doubt. I'm up to over 600 companies and maybe one or two that I will buy. And even the good ones that I bought are still down as well. But you don't have an equity stake. You don't have any value tied to these things. It doesn't matter if a company comes in and buys them all, if they all ... if they're billions or if they sign tons of deals. You're not getting any equity in these companies. So they're not tied to anything.

They say they're gonna give you revenue when they start growing and generating earnings. How about generating revenues first, 'cause I can tell you, how many companies that you know go through them? There's a list of over 2,000. Most of these companies raise money over the past what? Nine to 15 months? And how many of those companies actually have a working company, that's working? That you go to their website and actually go on it and ... hardly any of them. They have this whole plan, they push back their plan, and there, you know, you see their website and they have a bunch of pictures with all these kids hugging in a field saying, "Hey, this is our retreat", or whatever. That they probably spent a million dollars on a flyer without their first class. In the meantime, for the past 15 months, their site isn't even operational. There's nothing tied to them.

And so when you look at Crypto and say wow, this is a bad site. No. It's a new way that should have been the first way of security tokens that are gonna trade just like stocks. You

might not even need to have hard wallets anymore. Because you're gonna have these exchanges launching, regulated by the SCC. They're gonna guarantee your money just like you do in a brokerage firm. You're gonna be able to easily convert. You don't have to convert back and forth where you gotta use a calculator and you're like holy smokes, how much of this am I buying?

'Cause you gotta go through Bitcoin. They're gonna be accepting Fiat. I mean, this is the way that's coming out. I'll cover a little bit more in my next question, but it's something I'm very very excited about. They're offering a very good deal and it's very shareholder friendly. It's gonna have a dividend payment, and not only a dividend payment. It's gonna have an equity stake. And, there's gonna be certain levels to the point where, depending on how much you invest, you're gonna get lifetime access to, three to five years of access of everything we produce absolutely for free. So it really is something that's investor friendly because you're the people that helped me launch this company 'cause of your research and I'm not in this for the short-term. I'm not looking to sell the company. I'm in this for the long term. Our lock up period's gonna be much longer than you.

But this is a really cool way for us to come out, to raise money, and really compete with the big boys which I really wanna do because some of the research I'm seeing is horrible garbage. They're making these guys, this investor legend, and I know these guys. I work with them. I trained some of them. They're investor legends. What does that make me? And I God? No. But some of the things that are being said out there. I know companies have to make their numbers and stuff like that, but it's getting to the point where you're actually lying now. And you're making a bad name for the entire industry, which means you're making a bad name for even guys like me who are in this industry. 'Cause people look at the newsletter industry now and think it's a crappy industry. And it's not.

It's an awesome industry. It's a way to provide independent

analysis where you don't have to listen to Wall Street or anybody. It's our personal opinions. We're not getting paid by companies. And there's a dire need for that. For really good companies where you don't have to create all these BS crazy hyped-up stuff. And that's what we wanna do. We really wanna change this industry. And this is the way to do it. A low-cost way for us and an investor-friendly way for you, so the liquidity period is only gonna be 12 months. That's how much a lock-up period is. And so, Bitcoin is gonna be trading. Hopefully on exchanges, which we're gonna be negotiating with. Even if not, we do have ways to provide equity for you. Because we're using an amazing company to help us out, called Securitize.

Instead of just doing a traditional private placement where, what happens? Well, either I have to get acquired or I have to come out with an IPO and the average time that happens, when you grow a company that big, is seven to ten years. You have your money locked up. So this is a fantastic industry. I've been setting these deals and at least my white paper and invested that to people and lawyers and they're blown away. And it's amazing 'cause even my best contacts, who are really early to trends and know, they're like, "I have no idea about this industry. I have no idea". And then when I explain it to them, I show it to them, they're calling me back, asking me a million questions. And I think that's great for us. Because we're really early. The learning curve was incredible. Just learning so much about this industry has been really cool. But it's something I'm excited about.

You guys will see it. Look, if you wanna invest in it, invest in it. If you don't, you don't. It's perfectly fine. But it's something I'm really excited about. And I'm gonna share with you pretty soon. So we're close to really locking the security agreement and then once we do that, I'll let everyone know. But if you want more information, I'm at frank@curzioresearch.com. And one more thing from Robby with his question, 'cause he says "you know what, Frank? This past weekend, I was in Lawrence, Kansas. Attached is a picture that I snapped of Allen Fieldhouse. I do not want to be a creepy subscriber. But I know you're

[inaudible 00:22:40] for the Jayhawks. So I just wanna pass along the photo. I wanna let you know that you're doing a great job at Curzio Research and I hope the business continues to grow and prosper".

I really appreciate that Robby. Yes, I'm a diehard Kansas fan. And yeah, it is stalking a little bit. I guess. It's funny you say that, 'cause one of the lawyers that I'm dealing with is amazing. She's a bigshot and we're getting very very good lawyers and I finally found two sets of lawyers that are fantastic and we're just deciding who we're gonna use to be honest with you. Maybe we use them both. But they have, you know ... we're gonna go to very big law firms in New York City because we really wanna get this right. So it's worth paying for it, that are familiar with both of these markets, securities and Crypto and stuff.

So, one of the lawyers is fantastic. She's like, "Oh you have a podcast. I was listening to it. It's really great 'cause I have a podcast, I just started producing it, but I need help with it, this and that". And then also, I just went to the San Francisco conference, and my speech was about this STO, which I'll be able to send you links to that as well. It's like 20,25 minutes. Not that I want you to watch me and look at me all the time, but so, I sent I her that email, "Hey I know you wanted to see my presentation to make sure we're okay and we can market it for the STO in the future". And then I said, "Oh you know I introduce it to the people I know who are doing my podcast". And then I sent her another email 'cause she was asking me about my company. I sent all three in a row. And I thought the same thing. I'm like, wait a minute, I hope she doesn't think I'm this crazy stalker who just keeps emailing her. But, you can relax, Robby...

Frank Curzio:

But you can relax, Robby. I do think you're a stalker, but I still love you. I appreciate the email and really appreciate the picture. Yeah, I miss [inaudible 00:24:09]. I've got to get there and watch Kansas, who is a great, great team this year, but probably half as good as Duke. And I hate Duke, but, man,

they look really good, and they're exciting. Holy cow, that is a fantastic, fantastic team. So I'm excited for college basketball this year. Let's take one more question. It is from Tony. Tony says, "What are your thoughts about purchasing Overstock.com shares in an attempt to capture the value of Overstock tZERO subsidiary? Well, I have read Overstock almost about 80% in tZERO. Just curious if you consider Overstock.com. As always, keep with the great work. I have learned an incredible, a bold and incredible, amount of information from you and now Mike Alkin over the years."

I appreciate it. That's what we're trying to do with these free podcasts where you offer a lot of free stuff with the hopes that you guys will subscribe to our stuff, because we are a business. But, yeah, we're more of a, hey, here's our company. We want to show everything, and show you what we're about and what we're doing, and then that has resulted in a lot of people signing up for our products and stuff. So I love educating you. I try. As you can see, I'm not always going to be right. I'm going to be wrong sometimes, but I've been doing this for 25 years, and I've been ... which basically means I was right a lot more than being wrong, but you always want to cover your losers, because that's when you're going to learn the most. And I'm glad, because it's always a learning experience for everyone. Buffet gets it wrong sometimes, right a lot more than wrong.

You're looking at all the hedge fund manager, Dan Loeb ... David Einhorn has been on a really bad streak lately, but a lot of guys get it wrong sometimes, but overall you want to limit those losses and let your winners ride. With that said, let's get to tZERO. So your question is should you buy Overstock, which is ... I don't know, people say not that great of a company. I'm not going to really pick on it. I haven't really looked at it lately. You know, again just an online retail that sells stuff that's overstocked, I guess. But they do own an 80% stake in tZERO, and I could tell you that GSR capital, which is a fund, they just invested in tZERO. And when I say just probably about five, six months ago, and based on their investment, they're valuing in that platform at 1.5 billion dollars. Just that platform, which is

kind of interesting, considering Overstock.com, the total market cap is about 550 million dollars.

So if you're asking if it's a good idea. I think it's an excellent idea. Don't go all in. Don't go all in, but it's worth taking a small position because the value of this at 1.5 billion is undervalued. tZERO has done more work in this space than anyone. They were supposed to launch an ICL platform, and they pulled it. They were talking to SCC back and forth. Finally, they realized, you know what? The ICL market is absolutely crap, and we're going to launch a security token exchange. Now they're going to be registered with the SCC. I think they're going to come out with this exchange, I want to say in April, I believe. So they're going to trade security tokens. Now, if you go on a site called Cointelligence, gives an overview of security token exchanges, right guys? This is going to expect to launch next year. One of them already came out, Open Finance, but when you look, current exchange bank to the future. tZERO bank whore, and then they have future exchange like Gibraltar Stock Exchange, Coinbase.

Coinbase just took over three different companies, going to start trading security tokens pretty soon. Registering with the SCC, which is a great thing, right? Because people in crypto are like, "Oh my god, did you say that's a great thing?" It's an amazing thing. Okay, when you look at our markets, what happened in the 1930s? It was an absolute mess until the SCC came out and said, "Here is the rule." The SCC was established, and all these rules and ... they're just putting everything in place where people get in trouble when they lie to you. Prospectuses ... highlighting the risks. And when you did that, and you looked at the markets, where have they been? Absolutely straight up since then. Biggest secular growth market in history. You need regulation when you have to worry about your money getting stolen, okay? Okay, I understand the crypto community and deregulation and decentralize, all this stuff. I get it. I understand.

But not to the point where if you have the wrong address you're

going to lose your money. If you are transferring Bitcoin to Ethereum address ... Now these exchanges are going to come out where you don't need a hard wallet anymore. If you have \$100,000 and somebody comes and steals it, you're going to be insured for that, where a lot of these exchanges you're not insured. There's nothing you can do. That's the way it should be, just like a regular exchange. That's the way it should be. It should be very easy to use, regulated. You're going to have to provide information, going to have to provide your social security number to open up an account, so they're going to track you, going to have to pay taxes to the IRS if you have gains, just like you do everywhere else. If you really want this to be regulated ... because the STO industry is that big. It has the potential to be a trillion dollar market.

And if we have the right regulation out, which the SCC is looking to do, and you get rid of all the garbage that's out there ... Because these other companies raise money. Their obligation was one thing, to give you a token, not to tell you how much money they have left, which they probably all of them have zero. They'll have nice cars and nice houses, though, but zero. And if you want to talk about all utility tokens, which are going to deem security tokens pretty soon. Getting it. And now pretty soon that market is going to be disappear, but it's a lot of great things going on with security tokens where you're going to have an equity stake. It's just going to be like it's buying a stock, meaning, yes, as Bitcoin Ethereum does crash and come down completely, yes. Just like if the market crashed, everything's going to come down. But if you're showing earnings, if you're growing, this token, if you have an equity stake tied to it, should be based on how fast you grow your business.

And that's why I'm excited. Because we know if we do bring in money with our STO, we can really compete with the big boys. There's nothing proprietary they have. They have great marketing, awesome guys. I know most of the publishers in the industry, great guys, hard workers, and I have so much respect for them now than I ever now that I run my own company. But it's a matter of marketing. It's a matter of doing the right

thing. It's a matter of spending money, analyzing the data, return on investment. Again, we know all this. Our team has 100 years combined experience in the industry. We all work for these guys, and we know how it's done. And bringing in money is really going to expand the business. Now what does that do for you? Think about everybody that I interview on Wall Street Unplugged. Over a thousand guests I've interviewed over the past 10 years, guys that want to start newsletters, create a massive platform. We're going to have these guys write for us. I mean, this has been going on for a long time.

Frank, what can we do? We want to create this platform. We hate working at hedge funds now. We hate doing this. We want to help individual investors. It's remarkable, because we've all been through this Wall Street. We see all the bullshit on Wall Street, guys. We see it, and it's amazing how many people just want to make a quick buck. But Wall Street is not horrible. Not everyone is an asshole. Sorry. We'll cut it out. I don't know if this podcast is actually going to ... I don't know. iTunes sometimes just rejects it. I don't mean to curse. Get emotional there. But everybody hates Wall Street. I don't blame them. I see some of the stuff going on. I see some of the things going out. I see some of these promotions going out. I know. I see. I lived in New York all my life. But not everyone is like that. You can see, there's a lot of great businesses out there, guys that do the right thing, guys that provide research. And again, when you do the right thing, you're going to have customers, not for just one or two years, but for decades.

And that's how I built this business. That's how I built this franchise. That's what I want to continue to do through this offering, so it's something I'm very, very excited about. Getting back to Overstock question, love the idea of purchasing it now. Now we have some numbers and evaluations, but this platform is going to be the premier platform, especially in the first couple of years. And they're going to get the best STLs listed. I'm hoping that our STL gets listed on that exchange when we do launch and everything is successful. And I think that platform is being undervalued right now 1.5 billion dollars. I really do.

And it's just going to be a ton of people, ton of fees. If you see the amount of money that Binance, Kraken, Bittrex ... These exchange they're making on a daily basis, it's insane. And they're not even doing the right thing, because they're trading a lot of tokens that are really garbage right now.

When it's regulated, they're going to be generating a ton of money on these exchanges. And it's easier. It is going to be the premier exchange, and I think it's worth buying here. Put a couple thousand dollars in it. Again, it's going to be a crazy market. You're going to see it go up and down. Overstock is a lot higher. It's coming down, but at this level at a \$550 million dollar market cap, and this is already being valued at 1.5 billion. I think that's conservative. Again, it's 80% of that, so it's a little bit less. Because that's how much the subsidiary that Overstock owns ... That subsidiary owns 80% of tZERO. So, again, it's all regulated. SEC, I believe it's being launched in April. I'm excited to see what comes out, but I think that would be a really, really good buy, especially at these levels.

Okay, guys. Man, a lot of crypto talk, and I'm getting a lot of questions, seeing a lot of things go down at crypto. Again, this is something that I'm talking about. A lot of this stuff is just going to keep going down, down, down. I don't think Bitcoin Ethereum are going to go down much more, but you're going to see a lot of individual tokens really get nailed, so just be very careful out there. But have some patience. The new wave is going to be security tokens, and that's going to be your change to make a lot of money in crypto currencies. Okay, guys, that's it for me, and thanks so much for listening. I appreciate all the emails, everything. People agree, disagree, send them in. Love it. Network is getting bigger and bigger by the day. I just really appreciate and am humbled by how many people actually listen to this, and how many countries it goes out to. And, yeah, just want to say thanks. I really appreciate it. So, guys, have a great weekend. I'll see you in seven days. Take care.

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