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Capitalism Incubator Pitch Week Transcript

[RYAN] Welcome ladies and gentlemen! It's the Capitalism Incubator Pitch Week. You've been preparing, but you ain't ready. Come on in and grab a seat and join me and your fellow Inc-ers for Pitch Week. Let me introduce this week's special judges. In the gray corner, he's the only man who can make Ryan laugh so hard that milk comes out of his nose. He has written eight million dollar sales letters. He's the advisor to ecommerce firms all over the world. He's the man you want on your board. He helps entrepreneurs go from success to fulfillment. Put your hands together for the coolest man in the room, Sean McCool.

[SEAN] Oh, that's me. Yeah, cool, thanks. Good to be here.

[RYAN] And in the blue corner, the fittest man in the room, the man so cool he has his own studio, the man who calls Grant Cardone a friend and is therefore no friend of mine, the king of video ads, put your hands together for the man who will make you go viral, it's Billy Gene.

[BILLY] Let's go, baby. By the way, Ryan, this is all you should be doing with your life. This ... [Inaudible], get out the way, this is it, I'm convinced, this is your calling, no doubt about it.

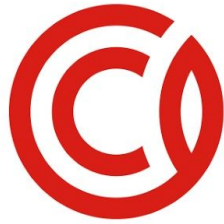
[RYAN] And now, the mystery man who needs to live on mute, the only man who can out-talk Ryan Daniel Moran, in the purple corner, the man with the check ready to write, he's ready to invest in your business right now, the only man who can make life insurance interesting, the investor in the room, Sam Prentice.

[SAM] Thank you, Ryan. Hey, look, we came prepared for this today because I've got the shirt underneath this. This is like Superman.

[RYAN] He's talking already. Can you hear him, ladies and gentlemen? He can't stop!

[SAM] We're ready for Capitalism!

[RYAN] He can't stop!



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[SAM] Yelling.

[RYAN] And now, your final host, the only man serious enough to wear a collared shirt for this, he has raised millions of dollars, he's a biohacking aficionado, he has been featured on the Ben Greenfield podcast, he has been featured on the Dave Asprey podcast, he's been talked about on health podcasts and health events all over the world, world renowned sleep biohacker and product inventor, Ben Olsen.

[BEN] Thanks, man. Good to see you. Good to be here.

[RYAN] Oh, that Australian accent is making me hot, Ben.

[BEN] I try to make it a little more American so everyone can understand me.

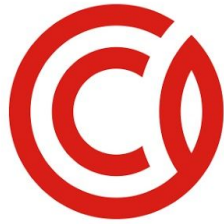
[RYAN] We can't understand a word you're saying, Ben. And, finally, the founder of Capitalism.com, the man who speaks in the third person, Ryan Daniel Moran. And now, your host, the person who makes us look like we know what the heck we're doing, the Paula Abdul of business advising, please put it together for Kaelyn Loes.

[KAELYN] Thank you, Ryan. Wow, this is ... guys, who is ready for this? If you're ready, put like a heart or a yes in the questions box. Who is ready?

[RYAN] You ain't ready. No one is ready.

[KAELYN] Alright, here's what we're going to do. I'm going to set up the rules and set up how this is going to work so that all of us can benefit from this pitching event. We're already jonesing for all of the stuff that we're going to see because Ryan really set it up well. Thank you, Ryan. So, here is the skinny. Each person who is pitching has about five minutes to pitch and then we will save ten minutes for questions. I have a question for the group. Do we want to cut them off at five minutes, or should we let them finish and go? Cut them off? I'm just going to take this little Buddha bowl. That's when you're done, okay? So, I'm going to cut you off at five minutes. I'll give you a little private message that says one minute remaining, just so you know. And then we'll leave it for the panel to really give their feedback.

One thing as we do this. Judges, if one of the other judges says exactly what you're going to say, to save time, just be like, I second that, and move on. The more people we can get into



this pitch, the better, so we appreciate your succinct, crisp, and epic feedback for the pitches. Alright, are we ready?

[KAELYN] We've got Kyle Wadsworth, a very tired father of three. Here you go. Kyle, take it away.

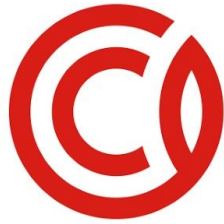
[KYLE] Alright. Let's get this pulled up. Alright. So, as they've said, my name is Kyle Wadsworth and I'm going to talk about Operation 86 and our plan to help small restaurants and fight hunger at the same time. Now, the neighborhood that I grew up in actually was down the street from a homeless shelter. What happened is I went to elementary school with kids that were actually homeless.

The kid sitting next to me didn't know where they were going to sleep. They didn't know where their next meal was coming from. They maybe only had a meal when they were at school, and they ... at an early age it showed me the proof that there are problems in our own neighborhoods, and this is a big problem. I mean, there are tons of people that go hungry every day and it's not a problem that one person can solve on their own. We'll see, there are a lot of foundations, there are charities, there's a lot of places set up to fight hunger, but there is a struggle with foundations or nonprofits.

They're fighting for the same donations. They depend on others to be successful. There are ways that we can do that as a business as well, and there are certified B corporations, one is Toms, and the intent of Toms, the founder saw that kids didn't have shoes. He built a business with the entire purpose to get more kids in shoes and every pair of shoes is a pair of shoes donated. That's what Operation 86 is going to do with meals.

So, in the restaurant industry, to 86 something means you're taking it off the menu, there's not any of it left. So, we want to 86 hunger by working with restaurants. At restaurants, or small restaurant companies specifically, they face a huge problem with IT support. They open a restaurant because they want to feed people. They want to help feed the local area. And in order to have any sort of online presence, they depend on big tech companies, and you may recognize this snapshot here is from a viral post after the pandemic, GrubHub took a huge chunk out of this person ... this small restaurant's revenue. They lost a lot. They were not making money, they were spending money to allow GrubHub to deliver for them.

Also, consumers, they want an easy way to order from their local restaurants. They want to be able to support those businesses. And that's where we come in. Op 86 is providing that digital ordering platform for small restaurants specifically, and we do that by helping them take back



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takeout with [Inaudible] structure, so they know exactly what they're going to be paying every month, they know what expenses they're going to face when they use our services.

Also, with the pandemic, we want to make sure that people are able to order safely and not worry about COVID-19. The current US market, there's almost a \$900 billion dollar market in the US. With these online ordering apps, there's actually over two million orders going on these apps every day, and there's over a million restaurants in the US, and over 70% of those are actually small, single restaurants.

Our initial product offering, we have an automated phone service to help small restaurants focus on the people that are actually in their store instead of having to pick up the phone all the time. We have a contactless menu with a QR code reader. And then we have our web-based order menu which we've actually already had over 5,000 restaurants sign up for this is three months.

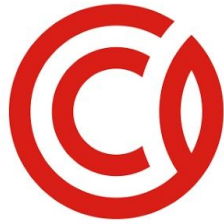
I'm the founder. Again, my name is Kyle Wadsworth. I've been working in restaurants since I've been a teenager. Actually been a part of opening small restaurants and know what restaurant owners face every day. I actually work for one of the largest restaurant groups here in the US right now. And our advisor is Satish. He has launched over 700 software products online and has a lot of experience marketing those products.

There's been a lot of growth in this industry as well. There are 10x more restaurants signing up for online ordering services than there were a year ago. Part of that is because of the pandemic and needing that online ordering process. There's also a huge growth in support for local businesses. This is an example of a group started on Facebook, just somebody had the idea, and now it has gone to 80,000 members since March. There are people who want to help out.

This is to give you an idea of what is going on in the market. Huge companies right now, over billion dollar valuations, and that's ... they're all doing over a billion dollars in revenue as well, but there's still a lot of space, a lot of room for us to grow, focused on small businesses.

What we are going to do with a capital raise, we want to continue to market to our small restaurant group, and we want to develop an app specifically focused on centralizing all of the restaurants that are using our service, and we want to educate everybody about our goal to help feed the hungry. Thank you for your time, and if you have any questions, please feel free to contact me. This is my phone number and my email.

[KAELYN] Awesome. Thank you, Kyle. Judges?



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[RYAN] We've got to give Mr. McCool the floor, first.

[SEAN] Oh, yeah. Real quick. I think I missed it, so if I did miss it, it wasn't very clear, how do you make money, again? I didn't get that part.

[KYLE] So, we have a flat fee structure on using our software, our services. I said it quickly. I need to focus more on that.

[SEAN] Yeah, and what is that flat fee? Is it \$0.10 an order?

[KYLE] No. So, it's a monthly subscription.

[SEAN] I mean, how is it structured?

[KYLE] So, restaurants pay us an amount. It's \$25 per month for each service, and then when someone orders on our service, there's a \$2.00 surcharge and \$1.00 goes to feed the hungry, and \$1.00 goes to cover the costs involved with feeding the hungry.

[BILLY] So, if I'm hearing that correctly-

[SEAN] So, I think I would definitely ...

[BILLY] Oh, sorry, I didn't mean to cut you off, Sean.

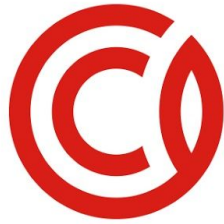
[SEAN] I think you're going the same direction, I am, so go ahead.

[BILLY] Yeah. I was trying to figure out, so it sounds like you basically donate a dollar. So, you pay \$25 a month, and then every time someone orders through the service, you order a dollar per blank.

[KYLE] Yes.

[BILLY] Alright. I'll stop. I'm going to let someone else go. I've got to ... yeah.

[BEN] So, if I'm understanding correctly, 50% of your revenue is going to charity and 50% is going to the business? Am I hearing that right?



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[KYLE] No. So, we have ... there's \$25 a month per restaurant paying for using the service. Then, any time an order is placed on there, there is a \$2.00 surcharge going to the person eating out at the restaurant. So, just like a service fee. And a dollar of that goes to feed people, and a dollar goes to cover the expense for operating just that portion of it. But, there's a \$25 per month fee from the restaurant that they're paying.

[BEN] But the vast majority of your revenue would come through that \$2.00.

[KYLE] There will be a lot. So, right now, as I said, over 5,000 restaurants have signed up for the online ordering system at \$25 a month, which is about \$1.5 million a year, if they continue.

[BILLY] Wait, so you have 5,000 paying customers already? 5,000.

[KYLE] Yeah. With ... so we launched it and it's growing. There's a huge need for that, and it's just through Facebook ads, through Instagram and such, 5,000 restaurants have already signed up.

[BILLY] How much did you spend to get 5,000 people to sign up, and is this just local right now, is this across the nation right now, where's that at?

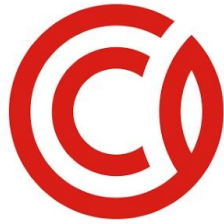
[KYLE] So, this is across the nation, so it's through Facebook ads and everything. Right now, it's selling the software itself. But, it is just Facebook ads and developing the actual product. So, it wasn't ...

[SAM] How does the end user end up finding ... so the end user, if I'm a customer looking to purchase food, how do I end up finding this? Am I finding it through the establishment I'm ordering from, they have it on their website?

[KYLE] Yes.

[SAM] Good.

[KYLE] So, right now, as I said, right now, with the way we're set up is, the restaurant, they're just really ... hey, go to our website to order. So, we want to help them get more to the ordering online, and then using this to build the app as well to where we can centralize everything, that was people can know, hey, if you want to order from anyone using Op 86, you can go to one place instead of all of the separate websites.



[BILLY] Can you pitch me real quick on ... I'm a restaurant owner. I have a small restaurant. You come up to me. Can you give me the spiel?

[KYLE] Yep.

[BILLY] In like 15 seconds.

[KYLE] Yeah. So, okay. Hold on. Different pitch here. So, everybody is ordering online right now. We've got to stay safe with the pandemic. You want to make sure that you're not paying a ton of money to GrubHub or UberEats or those guys. They take 30% of your profit right there, or all of your profit. You're paying them to sell your food. Keep that all in-house ...

[BILLY] Oh, so you're cheaper than them.

[KYLE] Yes. Twenty five dollars a month, they know exactly what they're going to pay.

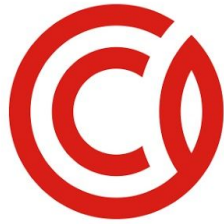
[BILLY] I see. So, no matter what happens, \$25 bucks, so you have the best deal. Now, can you bring me as much volume as them?

[KYLE] For small restaurants, yeah. They're not even using anything right now. That's why all of these big companies have seen such an increase in people signing up, because they have nowhere else to go.

[BILLY] Your target market is someone who is not even in the game right now, they're not even thinking ... got it.

[KYLE] Yeah, they don't even have it. That's why we found so many people interested is they don't have it. They've avoided the big people because of the cost.

[RYAN] Kyle, if you want that pitch to work, you have to show me why I'm going to get more business working with you than I'm going to get from GrubHub or UberEats or these other places. You've got to have that differentiating factor because otherwise, you're just capturing the scraps. And you don't want the scraps as a business. You want to be the premiere in this business. This is ... what I really loved about your pitch was you showed an amazing amount of momentum about why now was the time for why this matters. When you started talking about the valuations of GrubHub and Uber, I thought it was fantastic. I totally got it. So, I'm about to take over a restaurant franchise, and I want exactly this, so I was all pumped.



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You lost me on the mission. You lost me on the mission because I still don't know how they're related. When you open with, we're going to solve world hunger and Tom's and all of this, I do not know how that translates over to helping restaurants. Now, had you flipped it, had you said that, "We're Project 86, and we're going to 86 the biggest problems in the world. And right now, the biggest problem in the world is the COVID pandemic. As the result of that, we have nine million restaurants in the United States alone who are struggling to get by, and part of the reason why they're struggling to get by is because they haven't made the pivot to deliver and on-demand services. That's where we come in and help. And, we donate a portion over to solve world hunger. That's the flip, because you do not solve world hunger.

[KYLE] No.

[RYAN] You help restaurants. That's what you do.

[KYLE] Okay.

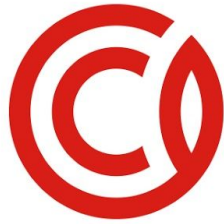
[RYAN] So, solve the problem that you actually solve, and don't try to get me to buy into world hunger. It was such a huge mental jiu jitsu that I couldn't follow. But if you just smack me in the face with the problem you solve, I was all in.

[BILLY] Like Ryan, going off what you're saying, you almost lost credibility, too, because when we did the math, it was like, wait, you're only giving away a dollar, but yet we're supposed to be like a Tom's model. My brain was like, hold on. It almost sounded scammy, not saying that you are, but shit, hey, we're solving world hunger, and then you're giving an actual dollar, but it's really a flat fee. I think he nailed it spot on. Eliminate the giveaway shit, even though, obviously, we want to be mission-driven and help people, but the value proposition is really simple.

Hey, you can go with the GrubHub, but they're going to take \$1,000-\$500 bucks a month, or just pay us \$25 bucks and we still promise to deliver you a ton of customers. Sound fair? Cool. And move on. Right, 30 second video ad, done, get it out to the ... yeah.

[KYLE] Okay. Thank you.

[SEAN] I think the dollar play to end hunger is your consumer side play, but it's not what's going to drive the business model. It's nice to have for the consumer to choose you over somebody else maybe. I'm going to disagree a little bit with Ryan. I think I'd be careful about being too pandemic-centric as your pitch. I think it's obviously a hot topic right now, but how



do you then grow a year from now if that's not going on anymore, like, what's your thing. I just don't want to be too heavy relying on the pandemic, people scared, doing that kind of stuff. I still don't love the name.

It's too much for my brain to kind of figure out what you're talking about. I mean, page 12 I was still wondering where we were going, exactly, on your deck. So, tighten everything up. Personally, I mean, the name is not going to stop it. If you do what Billy Gene said, you go up to it, they don't care, a restaurant, tell them you can save them \$1,000 a month, they don't care what the name is, so, I could be wrong, but the consumer side, that might be more challenging.

[SAM] I agree 100% with everything Sean said. I want to tell you, just as an investor, what got my attention was when you mentioned the different services, because what you're really doing is you're facilitating a small business making the transition to more digital aspects, whether that's through takeout, you mentioned a couple other things you do as well there, which is everything from QR menus to other things, so those are the other additional services that are there.

For a small business that looks at that and says, hey, I'm a small mom and pop restaurant, you go out there and you can bring those services to them for \$75 a month. To do all that, it would cost them thousands of dollars to do on their own to hire individual consultants to pull off. That value pitch makes a ton of sense to me. I can see why your cuts have been sort of easy to acquire. That makes a lot of sense in how you have 5,000 customers. I would definitely say, like Sean said, shorten that pitch down in the beginning to get us to that point quicker.

[KYLE] Okay, thanks.

[SAM] You're a SaaS business, selling software as a service.

[KYLE] Yes. Anything else, anyone? I mean ... thank you.

[BILLY] I guess mine would be, lastly, is just retention. You're going to ... \$25 bucks a month, are you going to send enough people to these restaurants where they think it's actually worth it, and I'm just thinking of how much money you have to spend to get that much, because the hardest thing ever is to change user behavior. For someone to go from, I got my Uber Eats, my Postmates, and other shit on my phone that I'm going to switch to? Fuck that. I'm really wondering, you said it's everywhere, 5,000 across the nation, it's not even in a concentrated



area, so when it comes to bringing in users, I'm like, that sounds like the next uphill battle, and the one that matters to me.

[RYAN] That brings up a good point from Billy of if you were to prove this in one state or one city, what kind of results could you showcase to the rest of the country, and to use those as case studies and ads and to bring on the adoption of other cities and other restaurants in other cities. So, I want to see the results that you create for restaurants for than anything else in this. I want ... if you can show me one restaurant that increased total revenue by 16.5% in a three month period and thus allowed them to keep their doors open at a time when all other economic pressures are saying that they should go out of business, I'm in. I want to see that, and that would sell me.

[KYLE] Okay.

[JASON] Can I make one comment? Kyle, you have 5,000 customers, but you kind of just said that as a hand brush wave at the last slide. I want to know more about that. What are they saying? What is coming back from that? You have customers. For me, that was a huge opportunity you missed was not talking about your current customers.

[KYLE] Okay. And part of that, it's so early on, they all sign up really quick. The concern is, is it a pandemic-driven thing, they sign up and then they're gone. But, yeah, I was just trying to get through things quickly, but ... I would streamline it, focus on what really is big and lose the fluff.

[KAELYN] Awesome. Thank you. That was great. I guess the takeaway, we're hearing a trend. Lose the fluff and focus on what matters most and hone it in for the fewest, most clear words as possible. Don't try to be clever when you just need to be clear. I think that's one mistake that a lot of people make. Next up, we have Nathan and Asia, founders of Aisle 5 Wellness.

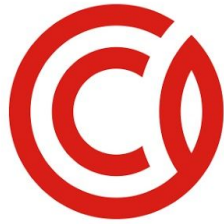
[RYAN] Aisle 5!

[NATHAN] Can you hear us now? Alright. Go ahead.

[ASIA] Hi everyone. We're excited to introduce-

[BILLY] This is really good. This is really, really good. Good stuff.

[NATHAN] Can you guys hear us?



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[RYAN] I'm in. Deal. We can hear you. We're just talking over you, Nathan.

[NATHAN] Okay, good.

[KAELYN] Go for it, Nathan. Reboot. And, you're on.

[ASIA] Hi everyone. We're excited to introduce Aisle 5 Wellness, intimate essentials for you and your partner.

[NATHAN] After more than a few bad experiences, allergic reactions, and "Can you grab a towel?" we were sure there had to be a better way.

[ASIA] The sexual wellness industry has always been geared toward men. In recent years, female entrepreneurs have been diving into the sexual wellness market with polarizing success, as women globally flock to support female wellness companies. This is something to be celebrated. But, where does that leave hetero couples that want sexual products designed for the both of them, or a person who identifies as non-binary? Or someone who just wants discrete products that blend in with the cosmetics on their bedside table or bathroom counter.

[NATHAN] You're not left with many options, and the horror of your child, younger sibling, or grandmother finding another bottle of Uranus lubricant under the bed again, that we can rectify. Research at market.com said, evolving gender neutral tone in the market, maximization of online opportunities, and factors that are likely to contribute to the growth of the US sexual wellness market. Marketresearch.com said, a push revolving gender neutral tones becomes essential as the market is expected to attain maturity.

[ASIA] As gender neutral sexual wellness brand, we're committed to providing simple, safe, sleek intimate essentials for all. With the push for gender neutral products and the expected lucrative growth in the market, this will position us to be a leader in the space within 24 months.

[NATHAN] So, what's the big idea?

[ASIA] To create a direct to consumer, gender neutral sexual wellness company designed for the future day human. Naturally sourced, eco-friendly, and inclusive to all. Our vision starts with minimalist designed intimate products that you can leave out on the nightstand. Our ultimate goal is to enhance your sexual experiences and connection with your partner.



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[NATHAN] Don't beat around the bush.

[ASIA] Okay, fine. Solo motions are encouraged as well.

[NATHAN] The days of the drug store, porn shops, and harmful ingredients are passed. The days of healthy intimate essentials delivered to your doorstep are upon us. Modern society's progressing with sex positivity movements and gender neutrality standing at the forefront. Inclusivity is the future. Our starting lines are over \$9.1 billion US dollars, just in the US market alone, with 51% of those coming from ecommerce. With an annual growth rate of 5.2% from 2020 to 2027, we'll be positioned over a \$16 billion dollar industry.

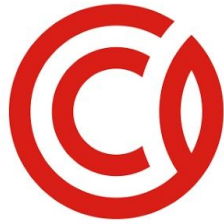
[ASIA] The lucrative growth over the next seven years is owing to growing acceptance of sexual exploration and acceptance of lesbian, gay, transgender, and queer communities, as well as the increasing concern about personal hygiene.

[NATHAN] Mod, a gender neutral sexual wellness company raised \$2.5 million in their first year and are currently valued at \$6 million. Sustained Naturals, the first company to bring ethically sourced, natural latex condoms market raised \$25 million in two years after inception and recently sold to the Grove collective in 2019 for an undisclosed amount. Unbound, a female forward sexual wellness company raised \$3.7 million in just one year.

[ASIA] Our initial product line consists of slippery organic aloe lubricant; proceed with caution, ethically sourced, natural latex condoms; clean up on Aisle 5 pre and post intimate wipes; our future kits include the overnighter and the weekender which will contain condoms, lube packets, intimate wipes, exclusive cocktail recipes, and ingredients for two.

[NATHAN] Our strategy and core audience consists of millennials, aged 19-39 and the LGBTQ+ community. Our plan of attack is to partner with influencers and bloggers offering affiliate programs for a 10% commission, thereby leveraging their audiences. We also plan to partner with alcohol companies for the alcohol that we feature in our kits. The initial product line will launch on Amazon USA and Canada, which is the market leader for sexual wellness transactions. Introducing the team.

[ASIA] Nathan Crocker is the CEO and founder. He is the visionary behind Aisle 5. He recently developed foundations for a hemp product ecommerce business. He brings to the team years of managerial experience from running a restaurant to running and building door to door sales teams.



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— B E T H E C H A N G E —

[NATHAN] Asia Smith, our co-founder, the brain behind the all-natural intimate wipe, the initial product on which Aisle 5 was built around. She owns and operates AMT Management, a construction safety and consulting company in Vancouver, Canada.

[ASIA] Brady Fletcher, the managing director of TXS Venture Exchange canvas public venture market.

[NATHAN] And Capitalism Incubator, a business incubator program run by Ryan Daniel Moran, a serial entrepreneur, physical products business owner, investor, author, and host of Capitalism.com. We're seeking \$250,000 in working capital for 25% equity with a target revenue of one million in the first 12 months.

[ASIA] This capital amount allows us to aggressively develop and release products to penetrate the sexual wellness market. Early participation allows investors to get in on the ground floor of a brand that will change the way people of all ages, genders, and sexual orientations approach sexual wellness for years to come.

[NATHAN] Similar businesses have exceeded one million revenue in the first 12 months and are valued at six million within 24 months, raised up to \$25 million in 12 months and are being acquired by companies such as the Grove Collective, worth a billion dollars, and Procter & Gamble, which we all know, worth \$70 billion dollars. So, we ask ...

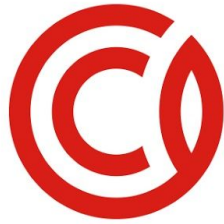
[ASIA] Will you be left in the past?

[NATHAN] Or will you be inclusive in the future?

[BILLY] I'm going to get it started, get it started. I'm an expert in this. I have a kid. Go to my wide screen, I want to draw something for you guys, okay. By the way, good job on your presentation. But, it could have been a fucking great job. Let me show you. Go to my drawing board please. Thank you.

Sex. You just see the word and it causes an emotional reaction. When you guys first came out, I was like, oh, shit, this is about sex. You should have seen the gallery. Everybody's faces were like paying attention, etc. Then, it went into the boring numbers shit and it lost the energy. A product like this, this is demonstration. This is funny. This is laughing the whole time.

Like, half the pitch is getting someone to just pay attention, and you guys had it. It already lends itself to question marks. I mean, clean up on Aisle 5? How is that not the big laugh, the



big thing to make them feel good inside? It's smart, it's genius, it's so good. Then, we just started going ... even with the team, the way it's presented, do bullet points. I don't want to care that ... like, bam, bam, bam, right. Keep the energy, keep the ether high.

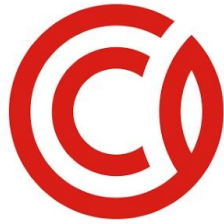
People sleep on that, how much ... how important that is in a pitch. And then secondly, the other product lines, I feel like ... highly competitive. Lube market, etc. If people are using lube, then they probably have their preferred brand, etc. I was confused on, like, where the gender neutral thing came into play. I'm just like, look, you have sex, you pull out, and then there's a problem. You've got to get that shit up, and here's a better solution. And there's no one who owns that market.

That to me was interesting. I was like, goddamn. The other thing, too, I saw an opportunity because it doesn't have to be like this, you're into sexy or intimate things. It's just like, no, you're a human being who has sex. You're in a loving relationship with your significant other. But, after you finish, you don't know where to put the shit and you're tired of using towels and everything else that messes it up. We've got a better solution, Aisle 5. That's the fucking pitch. You can sell preorders for that right now, this second. So, I want to know more about that. That's where my head's at.

[RYAN] I 100% agree. I kept waiting for you to tell me what the real problem was because you had me at the beginning when you were saying that all sexual wellness has been geared toward men. It was like, oh, I like where this is going. And then you were like, all about gender neutrality. And then I was like, well then, who is the market, because I thought we were going in one place. I thought we had a really clear market where we were targeting women. It was like, gender neutral packaging.

Then I was like, well, wait, now we just went from having a really clear market to having no market. Now it's the product for everyone, and so you missed me. But if you had done what Billy is suggesting of set up the problem, like people are hooking up more than ever, and they're hooking up in this way, and this way, and this way, and you have people who are gender neutral, and you have people who are gay, and lesbian, and they're straight, and sometimes they're all of those things, and everybody is hooking up, and now we have a problem.

Tell me what the problem is and what it is that you solve. I still don't really know who your target market is after going through all of this. Now, with that said, there was some hilarious shit in this. I love the name of your products. I laughed so hard at the name of your products and I love how you open with that slide. Lead with that. Lead with your best stuff because you



had my attention at the very beginning. Then, if you had hit me with a clear problem, I would have been throwing money at you right now.

[NATHAN] Sounds good.

[SEAN] Yeah, I want to talk penetration a little bit. So, are you looking the retail route? I wasn't really clear. You said Amazon, I guess, so it's direct to consumer, but how are you going to find those people? Again, the market is not super clear, like Ryan said. So, I'm just ... first that question, and then I've got one more comment about the presentation itself. But just, how are you going to differentiate yourself other than the name? You know I love the name. But, how are you going to differentiate? Is it just the organic play? What's the difference?

[NATHAN] So, a few things. So, definitely, being the organic play, everything is all natural. There's actually one ... when we thought of this idea, there was only one company. We didn't think there was any, and there was only one, which is Mode, which we talked about in our presentation. So, they basically have the same sort of direction that we're going. It's kind of the same thing, gender neutral. It's not directed at male, female, anybody. It's just sex, plain and simple. It's sex. And they're doing six million within two years.

So, there's a market there, for sure. I know we keep coming back to the male, female, that sort of thing. But, we wholeheartedly believe, and, I mean, the stats and the market have told us the same thing, there is a market for this, and there is a direction that it's going.

[BILLY] Can I see the Aisle 5 wipe? What the hell does it look like? Show me the Aisle 5 wipe. What [Inaudible].

[NATHAN] We don't have any on us.

[BILLY] What do you mean? You're not even prepared with your own shit? What are you talking about?

[ASIA] We have the lube, but ...

[SEAN] It's basically like the Dude Wipes.

[NATHAN] We only have the lube, as you can see. Our product ... actually, when we started this back in February/March, that's when COVID hit, and we were going to get our wipes manufactured, and then, boom, COVID. All the Lysol wipes are sold out, next thing you know



it, we had to order 50,000 minimal order quantity, and it's ... so, we couldn't stretch \$75-80 grand to pump those out [Cross talk]-

[BILLY] From an advertising standpoint, it's like, what's that product that's going to grab people attention, because lube, you're just ... it's so competitive. It's been around forever, but I don't know if there's too many people who have, who own the idea of the right after wipe, whatever the hell you're calling it.

[NATHAN] Yeah, so that was the initial base for our product, but obviously, COVID hit and we had to switch some stuff around, so we're going in a little bit of a reverse order here.

[SEAN] The other thing I was going to say is don't read to me. Your longest slide, you read the whole thing and that is the worst thing you can do in a presentation. There's bullet points. If you're going to go with the back and forth, each of you have your things to say, you need to rehearse it more because it came off as very robotic and there's an opportunity there for lots of humor, and you really need to ... if you're going to do that, this needs to be like a standup set if you're going to go that route. It's got to be crisp. It's got to be on ... Delivery, I mean jokes, and I heard the one word things you put in there, the sexual terms that you put in there, but it didn't land because you didn't give it the right delivery and it's all about delivery. How you deliver in sex matters.

[NATHAN] Yeah, exactly.

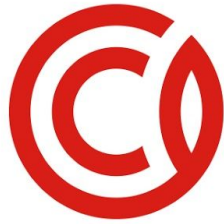
[SEAN] See?

[BEN] I was waiting for a connection between the products. So, lubricant is the first product. I was waiting for a connection between something about that lube and ingredients, something upon a difference and then linking that with a target market. I was looking for that connection because otherwise it's just lube and a vague target market which others are chasing as well. So, I really would have loved to have heard something like that.

[NATHAN] Okay.

[ASIA] More descriptive, yeah.

[RYAN] Sam, you get the last word. The one time Sam has nothing to say. This is amazing. I'm in, investing right now. You shut up Sam Prentice, ladies and gentlemen.



[SAM] Sam was actually on mute there. So, to piggyback on what else was said there, guys. So, first off, I think that the pitch had a lot of potential, and if you're trying to differentiate, one of the ways you can differentiate is [Inaudible] obtain your customer. One is focusing on what's different, what pain point you're actually solving, and then two is, in the pitch itself, just like Dude Wipes. Dude Wipes is not a new invention. It's Huggies in a different packaging. That's all there is to it.

So, you can take that same model behind it, but the way Dude Wipes worked is it was interesting, it was funny. It triggered something, some emotion out of me. This pitch did not trigger an emotion. The first slide triggered an emotion. We were locked in. Everything past that, you have a chance to build on it. I think that's where this was missed, was to find a way to build on that, trigger emotion, even if that emotion is amusement. We're talking about something fun. Sex is fun, let's make it fun. Let's talk about it and talk about how this can move it more forward on that.

[BILLY] Sex can be fun. Not always. It depends. No absolutes here.

[RYAN] Sometimes it comes with 18 years of responsibility.

[SAM] Hey, listen, sex is messy. Babies are even messier. So, this is going to solve two problems right there. You have sex, you can clean that up, and if you have a condom, you won't have the second mess. Problem solved.

[SEAN] Hey, Billy Gene, if sex isn't fun, you know you're the common denominator there.

[BILLY] It wasn't personal, I just heard it from others.

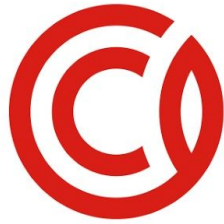
[SEAN] Oh, okay.

[KAELYN] Thank you, Nathan and Asia. That was awesome. That was really good. Thank you, thank you.

[RYAN] Kaelyn, I feel like we're missing out on this singing bowl gong thing, whatever it has.

[KAELYN] What is kind of amazing is how you guys have got it locked down. It's within seconds. If you want me to ... my Buddha bowl.

[RYAN] Yeah, gong some shit. Yes.



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[KAELYN] Next up is Casey with RX+.

[RYAN] Give it to me, Casey. Let's do this.

[SEAN] That was the last pitch.

[SAM] I know right. [Inaudible] it's not going to stop, is it, Sean?

[RYAN] Too soon. Casey, you might want to unmute yourself if you're going to pitch us, by the way. Otherwise, you're just going to get gonged.

[CASEY] I'm trying to get my file up on the screen here.

[SEAN] Trying to get it up.

[SAM] I'll just say, Sean, if you want, while we're waiting we can just continue to make some good jokes here, it's fine.

[SEAN] I know Sam's holding back.

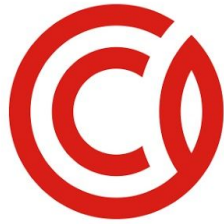
[SAM] There's wipes for that, too. Go ahead.

[CASEY] Are you guys ready?

[KAELYN] Ready.

[CASEY] Okay. I want to introduce you to RX+ elite level naturals. I'm sure each of us can tell a story about a friend or a family member, or possibly even yourself, that have been affected by cancer. The problem is a big one and it's becoming more and more prevalent in our world today with the ingredients in products that have been linked to cause cancers and other illnesses.

So, there are solutions for this, but another big problem is there's a natural ... there's a belief that natural products just don't work and they're not effective. So, how are we going to fix this? Our solution is simple. We're going to create natural products that just freaking work.



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What we want to do is create products that reduce cancers by eliminating those ingredients that cause those illnesses. If we can do that, we can help those people live a long and healthy life with their family and loved ones. So, our product line right now starts with a natural, chemical-free deodorant. We already have that initial inventory in place and ready to launch here in the next 30 days. To follow that up, we will be releasing a female athlete version. That's currently being developed and tested in our gym by a group of athletes.

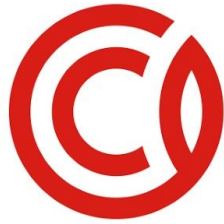
The third product will be antimicrobial workout apparel. We have an agreement with a distributor in place, so we're ready to go for that. So, the plan is to have those three products launched by the end of Q2 in 2021. We'll follow those up with a natural workout and pre workout recovery supplements, and also with an emergency shower kit.

The founder is myself, Casey Craig, and my partner, Andy Balliger. Together, we have a combined experience of over 20 years in the CrossFit and extreme fitness market. This gives us a real advantage in being able to know the demands and expectations of products that our athletes and our members want and what they demand. It also gives us a chance to get first-hand knowledge of what works and what doesn't work in the gym.

Advisors, you know Ryan Moran and his Capital Inc team. Marketing, we also have Turn Key management. They're going to be handling all of our Amazon marketing and sales channels. Our strategy is simple and straightforward. We have a group of existing customers that we're going to initially launch to, so that will give us the initial momentum on Amazon and also get those crucial customer reviews at the beginning. Second, we're going to partner with 2-3 audience influencers. We'll use their audience to grow our customer base.

Then, we'll also use Amazon and its growing marketplace just through organic searches for our products on their platform. And then, one of the things that's often overlooked is we'll have a founder-led customer service team. We feel like this would give us, our customers, direct feedback and a direct line to the leadership of the company for any improvements or feedback or improvements that they want to see in our products.

So, market trends right now, it's estimated there's an active four million CrossFitters in the US alone. The other numbers there on the screen are the yearly Amazon sales and natural deodorants, fitness gear, and supplement sales. Legacy brands have spent almost one billion in acquisitions just between these four companies, so there's definitely a realization that the bigger companies are realizing the demand for natural products in the market today.



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We're seeking a partner to bring in \$125,000 in exchange for 10% of our company. This will go directly toward new inventory and further our product development and also allow us to be able to get aggressive with our marketing campaigns through Amazon and other social media platforms. If you'd like to be a part of reducing cancers in the world, we'd love for you to join RX+ and our mission. Thanks.

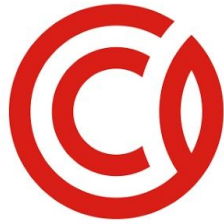
[RYAN] Alright, I'll kick this thing off. So, Casey, I really like your brand. I really like the product line that you're considering. I really like the approach that you're taking. I really like the comparisons that you made to other companies that exist. I didn't care for your pitch, because the problem that you're attempting to solve has nothing to do with your product line.

So, at the very beginning, you're like, we're out to reduce cancer in the world. I'm like, oh, you have my attention. Let me tell you about the preworkout that we've developed. I have no idea how that connects at all. You've either got to change the problem that you're solving or you've got to tell me why CrossFitters care about solving this problem that you've got. There's a huge disconnect here. So, if you had just opened with the fact of, we serve CrossFitters. CrossFitters have different desires and demands than the rest of the world. They buy different food, they buy different deodorant, they buy different clothes, and there's only ever been a couple companies that went all in on serving those specific needs, and both of them were acquired for over a hundred million dollars.

That right there, you have my attention. But this, we're out to reduce cancer, and now we're talking about CrossFit, made no sense at all. So, you've got to change one of those. You're not a cancer company, man. You're not a cancer company at all. You pulled that out to try and make it an emotional pitch, and it fell really flat. You've got to pick the problem that you really want to solve, or you've got to completely redo the company to be a cancer company. But trying to do both of those things was a huge disconnect.

My suggestion to you would be to actually find the piece of this that you really care about, because I can tell that there was a disconnect in what you really want out of this and what you were presenting. You want to be a CrossFit company, I think. So, if you want to be a CrossFit company, go be a freaking CrossFit company, man. CrossFit companies are great. There's all kinds of multi million dollar CrossFit companies. There's CrossFit companies that have been sold for hundreds of millions of dollars.

So, own that shit. Be like, look, the problem that we face is that CrossFitters work out, they smell like hell, and they don't want to put deodorants that don't work and they don't want to



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put aluminum on their skin. So, we've got a natural deodorant that is the RX deodorant. And our next product ... and now you're actually in alignment with what you actually believe.

But if you really wanted to reduce cancer in the world, you would open with an emotional story about how this affected you and then painted a picture about how it led you to become this type of an entrepreneur. But that wasn't there, and you've got to solve that mismatch if you want to be persuasive with this pitch.

[BILLY] I guess my question was I was trying to figure out ... so, my marketing brain, I love stereotyping. I just can't wrap my head around CrossFitters really being super passionate about what they smell like. To me, when you see all the CrossFit, man, it's like, oh, I'm sweaty, I fucking hit my box, ah. Now, where's my natural deodorant, please? It just doesn't ... for me it's like, now I'm going to invest, okay here's one hundred racks to go invest to really find out if people want it.

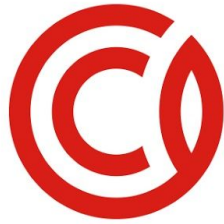
So for me, what I would need to see that to raise interest is preorders. Hey, we have this natural thing coming out and people are raving. They cannot wait to fucking see this natural. Because for me, around the product, do they care? I don't know, and I don't know that answer, so that's actually my biggest concern in the whole thing. Does anybody want it?

[RYAN] Sean McCool.

[SEAN] Yeah, I definitely agree with you. The whole cancer thing, I was excited with the first slide, like, oh, we're going to have an all natural way to battle cancer, and then all of a sudden I see deodorant, T-shirts and stuff, and I'm like, what, I'm out. It didn't make sense. So, I agree with Ryan. I disagree with Billy. I think with CrossFitters, there's a big health concern in that market. It's probably a sub-market of the CrossFitters, but it's definitely there. Same thing, yeah, if you say RX bar sold for this, all these CrossFit centric brands, that would be great. I see Billy's point though, so, yeah I would need to see some sales before I would throw out money.

[BILLY] No, Sean, that's a good point, like, and for me, it wasn't do I believe it or not believe it, it was I don't know, and a lot of investors don't because they haven't been in the game like you guys have for a decade [Inaudible]. So, I just wanted the education of, you didn't know, but CrossFitters, even though they're ... they're also like ... So, I just wanted to know both, that's all.

[SAM] So, Casey, real quick, I'm going to tell you literally what I wrote down as you were writing. The first thing I wrote down was, I love the effect of cancer pitch. That actually spoke to



me, personally. I went through a ten year cancer battle with my mom. It just really hit home to me so it actually generated some emotion, which I love when a pitch generates that off the first couple slides. What the disconnect that Ryan mentioned is 100% on point, I wrote down connect your solution to your target market so I understand what's happening here.

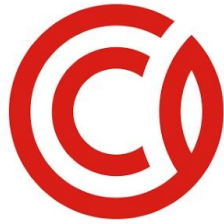
I do get the connection of connecting deodorant to cancer, connecting deodorant to CrossFit. I like the idea of saying here's a niche you're going to go after where you're going to go instead of just being another me too brand that's launching healthy alternatives. You're launching to a very specific market that you think is underserved. I can get that connection, I can make that by doing a lot of work, but it wasn't clear from the pitch. So, if you can speak to the connection between your target market and why you're choosing this target market, be it that they're underserved or they haven't alighted to adapt to more health conscious things, that's going to be the big connection that can be made. I think that can be a home run.

[CASEY] Okay, thanks.

[BEN] In terms of your launch strategy, I would have liked to have heard a little more around what would happen there. In terms of ... you mentioned customers. How many customers, and how are we going to get Amazon reviews out of them from the go? So, that will be interesting. Also, you mentioned there was testing by athletes. It would be interesting to just elaborate on that a bit more. I've seen Cap startups launch and then collaborated with a sports team to get local media coverage as part of PR efforts and that kind of thing. Is that what you're talking about, or is it something just very informal? So, I would have liked to have heard a bit more about that.

And on the branding, if it's a natural product, red and black branding doesn't strike me as natural. That's just not what I think when I see a primarily black bottle with red splashed across it. I get it's very masculine and it might make sense across a lot [Inaudible] for your target market. It didn't speak to me in terms of natural, though.

[BILLY] I think that's what I liked about it is the branding is sick and it's changing the field of natural because that would be a turn off. You're this dominant alpha male and now you're like ... I think I actually like that spin, and then you guys had a slide that said partner with influencers, like how do you bring excitement to the pitch, imagine giving that whole pitch and saying by the way, the influencer that we have locked in, guaranteed in writing is The Rock. I'd be like, oh shit, The Rock's in? Yeah, that is cool.



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Like, who are the influencers? Now, it doesn't have to be The Rock, but you guys know the industry. My guess is you guys have an influencer with every single top CrossFit person out there. Get them on board. Show me that, because that's exciting. Like, okay, even if I don't fuck with the product or whatever and I see all of the top people in the industry, you can make anything cool. If everybody says it's cool, then it's cool by default. So, that's exciting from a monetary standpoint to me.

[RYAN] I think that's really good advice. The fact that ... I like the idea of making natural cool, of making natural masculine. I really like that approach especially if you're taking a CrossFit angle. Again, forgive me if I'm repeating myself, there was just too much of a disconnect between what you said your company was and what the company actually was, and you can make this a home run in a variety of different directions if you just own what your actual company is rather than trying to force this mission that doesn't connect in.

[CASEY] Okay.

[KAELYN] Awesome. Thank you, Casey. Thank you, judges.

[RYAN] Gong us, Kaelyn. There we go.

[KAELYN] We were so efficient and so epic with our pitches that we have time for one more. So, I've got Tiffany presenting Squish Face. Are you ready, Tiffany?

[TIFFANY] Unmute. I am. I just need to be able to share the screen.

[RYAN] Squish this.

[KAELYN] It will be bestowed upon you shortly, hopefully. Yup, there you go.

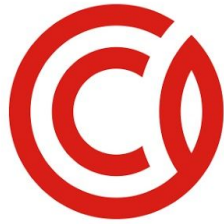
[BILLY] The name is creative already. Squish. I'm intrigued already.

[TIFFANY] Alright. So, I just found out I was going to do this ten minutes before.

[RYAN] Don't open with that. Say you've been ready for this moment your entire life.

[TIFFANY] I'm so excited! I've been ramping up for the last five years. Let's do this.

[RYAN] Let's go.



[TIFFANY] Okay, so the brand is Squish Face. It is a dog skin care brand with a focus on wrinkly dog breeds. Quick origin story is that I got my first dog, Milo, in 2007 and had no idea that infected dog wrinkles was a thing, let alone a problem, but I did quickly find out. I assumed a product was on the market, but there wasn't anything. I went on Google and Pinterest looking for DIY options, but nothing worked.

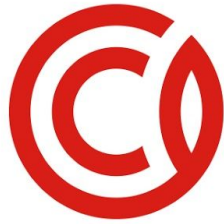
Fast forward several years later, I saved up \$5,000, bootstrapped selling items on eBay, then decided to create a solution to that problem, and Squish Face was born. The gentleman on the right was my dog, Milo, and he is the sole reason that this business exists.

In 2009, approximately \$96 billion dollars was spent on pets in the US. 2020 is predicted to reach \$99 billion. With that, the estimated number of pet dogs at almost 90 million. We already know the pet industry is huge and still growing, so I'm not going to harp on those industry statistics, but I do want to point out a couple of contributing demographics for that continued growth, one of the main ones being DINKs, which means dual income no kids.

With the increase of DINK households, many of those households are now veering away from having children and now redirect parental desires, and resultantly capital, into caring for their pets. They want the best for them. For there, there's more information readily available about what a quality product is made of and these households are willing to pay for the best for their dog.

On the other end of the spectrum is the Boomers. Accustomed to several decades or so of a busy household bustling with family, the reality is that many people in this demographic are suddenly finding the house empty and they are lonely, and resultantly get a dog for companionship. They, too, are more educated about quality products and also want the best for them.

So, I've touched on trends for customers and who is contributing to that spend and why, but I also want to point out the popularity of wrinkly dog breeds and what that means to us. When we look at the idea that there are approximately 90 million pet dogs in the US and consider the high popularity of the bull dog as a mascot for sports team, colleges, and even the US Marine Corps, there's some very strong supporting evidence that there's million upon million of wrinkly pet dogs out there, which is a fantastic opportunity for us, because that means there are millions upon millions of dirty wrinkles and tear stains that need our help.



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Wrinkly dog breeds are a ... problem solution. Wrinkly dog breeds are a huge money maker for vets, especially when it comes to recurring skin infections and unnecessary surgeries, including surgically removing dog wrinkles and even tails that are hot spots for repeat infections. Not all issues need a vet for a solution, though, and that's where Squish Face comes in. Our products help a dog parent avoid pricey surgeries and repeated and costly vet visits, while prioritizing natural and safe skin care for dogs.

Squish Face products clean and protect dog wrinkles, tear stains, and tail pockets from infection. Our flagship product is Squish Face Wrinkle Paste, a paste that cleans and protects dog wrinkles, tear stains, and tail pockets. Antibacterial and antifungal, the paste forms a water-repellent barrier that helps keep moisture, fungus, and bacteria at bay.

To amplify the lasting effects of Wrinkle Paste, and with significant upsell potential, we recently launched our newest product, Squish Face Wrinkle Wipes. While each was designed to deliver a quality result individually, when used together they pack a double wallet against microbial growth.

Our sister product to the Wrinkle Paste is Squish Face Tear Stain Paste, formulated specifically for long-haired breeds such as Shih Tzus, Pomeranians, poodles, and Maltese. The formulation is similar to the wrinkle paste, yet thinner, so that it can be more easily pulled through longer dog hair.

Future products. Slated for release in March of next year, we have our toe clay coming out, which is a powder application to address inner digital ptosis. Slated for release in July of next year, we have our ear wipes which are similar to the wrinkle wipes, but we'll be differentiating from other products as they'll be individual finger sheath type wipes so it delivers the solution better and also no debris gets on human hands.

What we've done. Squish Face has grown very, very quickly over the last four years from a \$5,000 investment to just under one million, year to date, and I am comfortable saying we will come in at just over a million for this year. When looking at these numbers, one of the things I want to point out is that products number two and number three just launched last month, so a vast majority of this income has been based on one product.

Where we're going. We've got lots of room to go and I am very excited about what's going to happen next. Slated to begin mid next year, we will expand to a wholesale program for grooming supplies distributors, animal hospitals, and boutique pet stores, of which we do already have a growing waiting list. We will also expand our online offerings in other countries,



because currently, we're only selling the wrinkle paste outside of the US, so we need the funds to fulfill inventory needs for those additional international listings.

Also, launching later next year, we will begin our affiliate program with influencers and bloggers, of which we also have a growing waiting list. As far as money goes, these projections for the next couple of years are including what's laid out on the left side. So, that means not only reaching 100 units a day across each of our listings but also expanding our international offerings, wholesale, and affiliate programs. It is a cumulative effort.

The ask. We're asking for [REDACTED]. Those funds will be used for inventory amid two upcoming product launches, but also advertising to drive traffic for these launches. Further, they'll be used for the new wholesale and affiliate program infrastructures and launch. We're asking for a lot because we're doing a lot and we've got a lot of room to grow. I feel extremely confident that with this capital, we'll be able to scale this brand to five million and beyond at exit. Thank you very much for your time.

Well, I want to lead off. Tiffany, that was an outstanding pitch. You did a great job answering a variety of questions that [Inaudible] answered. You did a phenomenal job, so first off, that was very well put together. I appreciate the detail you brought to that as an entrepreneur, I think that is 100% outstanding. The question I'd have would be more ... and I like that you have sales so you can talk through numbers.

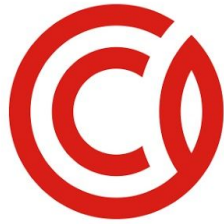
From that standpoint, some of the numbers I'd want to see at a later point in time would be numbers like your sales count and how quickly you're able to acquire product, what your turnaround time is, what your cycle looks like there, and then what your cost to acquire customers looks like at this point, of how much money you have in the business, and those kinds of things, to be able to get it at the sales it's at currently. But first off, 100% kudos on the pitch you put together. Very thorough, very well done.

[TIFFANY] Thank you. I appreciate that.

[BILLY] Hey, Tiffany, you played that off. You played it off, oh I'm not ready.

[SAM] Yeah, right.

[BILLY] That presentation, that's flawless. I'll put it this way, I have a dog, I have a Yorkie. My ex has a bulldog, so I had a bulldog for years and I could care less about dog wrinkles and everything. You made me interested in the subject. I was like wow, actually. And so, that's a



sign that you did a good job is you made someone who is not interested, and you make it interesting. That's a good test for everybody. No matter what you pitch, you should be able to garner interest if you're delivering it correctly. So, well done on that.

How many customers do you have total?

[TIFFANY] So, we've got at least 10,000 last time I looked at it.

[BILLY] How often do they reorder?

[TIFFANY] We've got 824 monthly subscriptions.

[BILLY] Got you. And you've been doing it for five years. How much bigger ... how many more customers do you think you could get ... so five years is actually a good amount of time to get some brand awareness. I saw that you were featured on BuzzFeed, etc. Now that you've been featured on BuzzFeed so much, is the PR boost kind of gone? Are we going to start seeing kind of a flat line? Is there still a spike for this? Do the people who should know you already know you? Give me some of the ...

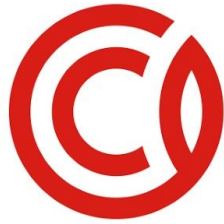
[TIFFANY] That's a good question, and the answer is no. We are still growing in our awareness for the Squish Face Wrinkle Paste, but keep in mind, when I'm asking for that one million, it's not just for the Squish Face Wrinkle Paste. We just launched the two more products, we've got two more coming out in the future. So, it's a full brand line that we're working on building the base for.

[BILLY] Got you. And in regards to profitability, I don't know how open this is, what kind of margins are you guys seeing on that million? Are we breaking even? How much are we spending in advertising now?

[TIFFANY] Right now, we're sitting at about 40-45% depending on what you're including on that, but that may change coming in the future. That money is good help.

[BILLY] Are you spending money on advertising right now or has most of it been organic and ...

[TIFFANY] Yes. So, I go pretty strongly for Facebook ads, and then we've also got some Pinterest ads going and we've got some low spend on Google ads, and I actually just recently hired on a video production team. So, we will be starting some video commercial ads, and those will be mostly Facebook and Google as well.



[BILLY] Got you. Good job.

[SAM] What's your cost to acquire a customer right now? Idea of what your cost to acquire a customer is?

[TIFFANY] So, last ... on Google, it was like \$4.50.

[SAM] How about Facebook?

[TIFFANY] I think it's about three.

[BILLY] Why aren't you spending more then, Tiff, because something's not adding up to me. You've got 40% margins and you're still doing the advertising already. You've got the gasoline, five years of brand awareness, you've got a thousand people on subscription, 10,000 customers, where's the miss? Because the me, it's with what you've got there and what you know and how you presented yourself today, why aren't you doing five million already?

[RYAN] Good question.

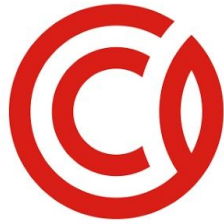
[TIFFANY] Right now, we're going through our first significant cash crunch, that's why. I did a really good job over the first few years of saving up that money, saving up that money, getting ready, and then I had two product launches hit at the same time as well as going into fourth quarter. While I do have capital right now, the capital that I need for that big strong push isn't there, and that's part of why I'm looking for an investor. It's like graduating from grade school, to high school. Same concept, but not necessarily done the same.

[BILLY] Have you tried to sell this already? The company?

[TIFFANY] No.

[BILLY] Interesting, because it sounds like to go to this next level you're asking ... you're about to bring on two more products, now you're going to have to spend so much more advertising bringing on all this shit. Why not get the fuck out now if your plan is to exit?

[TIFFANY] Because I love this business and I want to see what it does and how much it grows. I'm not looking to fully exit right now.



[BEN] When do you want to exit?

[TIFFANY] When it reaches ten million ... no.

[BEN] I guess my real question is, are you going to be wedded to this business for the long term? It sounds like you're very emotionally connected. Or, can you let go in a few years?

[TIFFANY] I can let go in a few years if the price is right. And, the reality is that I have been kind of lone-wolfing it for the last few years myself and I could see a few years from now I start to develop some mental fatigue and I start to say, you know what, I'm open, I'm ready to let this go.

[RYAN] Tiffany, I loved the way that you opened. I loved that you made me understand a problem that I didn't know existed. I loved the story that you told and, oh my goodness, I wanted to kiss you when you said, scraped together \$5,000 to build this thing. It made me immediately want to bet on you. You had me in the emotional feels. You had me right from the beginning.

I also loved when you showed the costs of the problem on, I think it was, slide three. The vet bill was \$4,400. You showed me how big this problem was to the average consumer, that could be solved with a \$30 investment in one of your products. The problem was, in the middle there, you had this slide. I don't know what it read because I fell asleep.

Everybody fell asleep because you were talking about this broad ... Millennial and not having kids. It's like, you had me with this emotional problem and who you were and why you were doing this, and you have me talking about how big the problem is, and then there's all this fluff in the middle that ... I don't know how this relates. So, you need to remove that slide. You need to show me the problem, the cost of the problem, and then, when you started showing me momentum again in the business, you had me right back. So, if you take out that lull where you spent way too much energy trying to sell me on why this is a growing problem and the dog market getting bigger, if you cut that out, you have a really clear sign of momentum, momentum, momentum, growth, perfect.

[BILLY] Ryan, my first sentence, I said to myself, based off of you, was hey, she has a dope business for herself, but how the hell can I make money, which is exactly what Ryan was saying, like where is the ... how much good stuff has to happen along the way, and when is it going to happen for me to get a juicy return on that?



[SEAN] I would ... I think I can solve both of those problems, Tiffany. So, first of all, Tiff, your grandmother would be very proud. Good job. I think I would just reorder the presentation a little bit, just from a presentation standpoint. Everything is in there but it just felt a little dry in a couple of places. So, I would do something like I would show pics, live pics. Cartoon were cute, but show some live pictures of these breeds that people love. Show how cute they are.

Say, aren't they cute? Get buy in from the panel, and then say, but there's a hidden problem that even people who buy these dogs and get these dogs don't know. And then you zoom in on these things and you show the damage that's happening in these wrinkles, and then from there, you would go, we know that this is a problem because we've sold \$750,000 dollars in products this year to solve this problem, and we know that's a big thing, because compared to the vet bills that are \$4,400 dollars, we're a bargain.

So, you're building this case, and then the last thing you would do is, you'd go, but we're just getting started, because the size of this market is \$95.7 billion dollars, and the wrinkly face has about 30% of that or whatever the number is. Now, you can show them, hey, this is a \$20 billion dollar opportunity. Forget ... Ryan thinks small, \$50 million dollars. He's a small thinker. We've got to work on that with him. But you show them that this is a \$15-20 billion dollar, and you've already got a foothold in it, nobody else does, and you're going there. Now you're got me.

[BILLY] That was the best advice you're heard today. He literally laid out exactly ... that was great. You can literally turn that into a video ad, too ...

[RYAN] I want to invest now based on that reordering of ... positioning.

[TIFFANY] Give me five minutes.

[RYAN] And, Tiffany, you've got to believe that to sell it. And so, part of this is convincing yourself that you're sitting in the middle of a \$15 billion dollar opportunity, because you are, and you have the momentum to be able to do exactly that.

[TIFFANY] Okay.

[SAM] Yeah, because the tear stain product actually does open you up to the majority of that \$95 billion market, and maybe Squish Face, but the tear stains are pretty much any dog.

[TIFFANY] Alright.



[SAM] And one last final question I want to ask real quick here is on your product line that you have right now here. Number one, is there any competition on any of the product line that's emerged since you started the business? And two, is there anything that you have that's proprietary behind your product line right now?

[TIFFANY] So, there are a couple of other products out there that are aimed at that issue. They are not made in the same way and they are not necessarily antibacterial and antifungal, which is a priority for my brand line. As far as Amazon, we have the market corner for that. And then, what was the next question? Sorry.

[SAM] Like you said, from a proprietary standpoint, I think you spoke to that, is that you have different ingredients in yours, so there's nothing patent, nothing that couldn't be replicated but you have proprietary ingredients, that you put together a blend, a formula that is not replicated right now.

[TIFFANY] Correct.

[SAM] Okay.

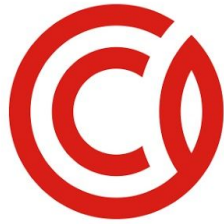
[JASON] Can I make a quick comment? So, we talk about the problem, everyone keeps talking about the money they're going to save, but I think the real pain point is the torture the dog has to go through if it has to have a surgery. If your alternative is your dog is getting cut up with a knife and getting their tail chopped off, and your product prevents that from happening, to me, that's much more emotional impact to understand the pain point you're solving versus just saving four grand.

[SEAN] Yeah, that's my second set of pictures that I suggest. Show the pain and that stuff. We've talked about that before, but yeah. I think you're right on, Jason.

[TIFFANY] Okay, and on that note though, and give me some feedback, so I debated presenting some of the before and after photos and some of the more graphic dirty wrinkle versus clean wrinkle photos, but they are incredibly graphic and off-putting.

[RYAN] Good.

[TIFFANY] Oh, that's good? Because I was thinking that would be distasteful to throw in there.



[RYAN] If you can connect it to your product it's good. If you're just showing it for shock and awe, not good.

[SAM] I think if you make that connection, you connect the dirty, it gives the shock and awe where someone is a little bit repulsed by it, and then you attack the heart string of saying, here's the solution if you let it get from here, clean, to here, dirty. Here's the current solution. You have to go to the vet. They'll have to do this to do the dog. Boom, boom, boom. All of the people who are sitting there like, ooh, I don't want to watch this, it's kind of like, oh, do you want to see what gets worse after that? You corner people into a spot where they really have no choice but to buy your product or else they're terrible human beings, and that's a good place to be in, in capitalism.

[BILLY] It's never the what you say, it's always the how you say it, so you can get away with anything as long as you say it with ... what everyone is saying today.

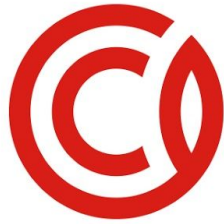
[SAM] You have the moral high ground by 100%. You're actually preventing a real problem for a being that cannot do that for itself, and to not take action on that would be negligible.

[RYAN] On that note, can we give a special thanks to our special judges for coming out and analyzing your pitches? Billy Gene, Sean McCool, Ben, Sam, thank you very much for lending your expertise inside the Capitalism Incubator today. I really appreciate you guys. Thank you. Billy, thanks for bringing the heat my friend.

[BILLY] Thanks, you guys, for having us. And, by the way, Ryan, shout out to you. This is such a dope ... this is so cool of you to bring this to your community, to do something like this. I mean, I learned a ton, and I went into it going what can I learn, but I learned a ton here and I appreciate you guys having me. Everybody is super cool. But I think this is just such a dope thing that you're providing for your community. So, shoutout to you. This is really smart. It's fun. It's engaging. It's a great way to learn.

[RYAN] Thank you, thank you. Thank you Sam, thank you Sean, thank you Ben. Kaelyn, can you tell us who we have coming up next in the training of the Capitalism Incubator?

[KAELYN] Mercy. I feel too fired up to even think forward. I'm still processing all this. Guys, that was really awesome. Your videos will be available. They should be either available now or they will be. I think they're talking about money this week which is always fun. I could be wrong though, just because I'm so fired up on everything you guys just presented to us.



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— B E T H E C H A N G E —

[RYAN] Matt made a comment that I need you to read out loud, Kaelyn.

[KAELYN] Where is it?

[RYAN] In the chat box. I need you to read Matt's comment out loud. The most recent comment in the chat box. I need you to read it out loud.

[KAELYN] Oh. Bang the fucking gong.

[RYAN] Good work everybody. Thank you for hosting, Kaelyn.

[KAELYN] Yeah, thank you, guys. We appreciate it.

[RYAN] Alright, guys, we'll see you next week. Have a good week.