

Actionable intelligence to live a Free & Inspired Life



# The Solari Report

August 1, 2023

**2<sup>nd</sup> Quarter 2023 Wrap Up:  
Equity Overview &  
Rambus Chartology  
with  
Tim Caban**



**Catherine Austin Fitts:** Ladies and gentlemen, welcome to *The Solari Report*. This is Catherine Austin Fitts and Tim Caban. I'm always worried I'm going to mispronounce your name.

**Tim Caban:** I say 'Caban', but you can call me anything, 'just don't call me late for dinner'.

**Fitts:** We are in Pennsylvania. Tim is the head of Copper Beach Advisors. He has joined us several times now on the *Equity Overview*. He will be joining us regularly, and we are very pleased about that.

**Caban:** As am I.

**Fitts:** We wanted to cover a couple of things, but the big one is insurance. We want to have a little round-up about the markets and some other things, but we will hold that until the end and dive into insurance.

One of the reasons we are going to talk about insurance is that we have never significantly covered insurance on *The Solari Report*. I think that it is a very important topic, and one that I wanted to do well. So I've been waiting for somebody who I feel understands both insurance and general financial planning and understand what is really happening in the world.

It is very easy to find insurance experts who don't understand what is going on in the world, and it is a lethal combination.

**Caban:** Yes, it can be. I tell people that when I'm speaking to them about insurance, it's usually the first time they are talking to somebody about insurance who isn't trying to sell it to them at the same time.

**Fitts:** And that is important. I think that insurance can be an outstanding and excellent tool, and it is a tool that I believe we all need, but it can drain a huge amount of money, and if you do it improperly, it can waste a great deal of money.

Let's dive in: I want to start with life insurance. Describe life insurance and how to use life insurance effectively.

**Caban:** I think there are two broad categories of life insurance: Term or temporary insurance that has an endpoint where the insurance doesn't exist anymore, and then permanent insurance which lasts for the rest of your life.

There are many publications that have published something called 'Buy term and invest the difference'. I think that for many people who are not at a high level of wealth, that is an appropriate strategy. You are trying to provide for the fact that you may not be here at some point, so you might be insuring the income of a breadwinner in a family, and it can serve that purpose. Then if you can grow assets during the time where the insurance is enforced, you won't need it by the time you get to life's end.

Permanent insurance is more expensive, but it does have appropriate uses. Maybe we've even talked before about the things like the family farm where you have a big estate tax bill, which in today's world, is only for very wealthy people or a large farm. But in that case, if you owe an estate tax bill and you want to give the farm to your family – to your children or your grandchildren – and if you don't provide to pay the tax bill, they have to sell the farm, and then it leaves the family.

**Fitts:** It's the same with a business if you have a big business.

If you don't want to liquidate quickly, it's a great tool.

**Caban:** Also, in businesses with multiple owners, there is something called 'buy-sell agreements' and things you can provide for within the business so that if one of the business owners goes away for some reason, it doesn't ruin the business.

**Fitts:** During the pandemic, we had a *Family Financial Disclosure Form* and other disclosure forms for COVID-19. I kept trying to push people and say, "If your spouse or someone in your family is insisting on doing this, you must get life insurance, and you have to get disability insurance. Otherwise, an adverse event or death could bankrupt the family."

Yet I encountered people who said, "I don't want to think that way."  
I would say, "No, you need to think that way."

**Caban:** It's also not an 'easy flip of the switch'. Even to get term insurance, you have to go through underwriting. It's not just, "Okay, can I sign up and pay?" No, you have to arrange a date, and somebody will take your blood pressure, and do medical testing. So it takes time to do it, and it's just another excuse not to do it.

I would agree with you that it is vitally important in today's world if you are going to be exposed to these things or if you have a family member exposed to these things.

**Fitts:** Somebody in my family, who I am liable for – not only in terms of money, but time – if they said to me, "I'm going to go out this weekend and play Russian roulette," I would say, "I want a life insurance policy."

**Caban:** That's a good way to put it; it's the equivalent of that.

**Fitts:** I've found that there is tremendous variability in the quality of an insurance company, and it is reflected in the pricing. If you get a pricing from an insurance company that has an excellent credit rating and is one of the best, it's much more expensive than the others. So, this is an area where you want to think very carefully about price because you want a life insurance policy that will last.

**Caban:** If you understand that, you can, not blindly but partially, think of the price of the insurance as an indication of quality. You have to do the due diligence to verify that, but you are right: The higher credit is better. You care about that because if the insurance has to pay out, you want to make sure that it is going to pay out.

**Fitts:** We did a special report with Lucy Komisar earlier this year, and she did a study of three insurance companies which had been purchased by private equity firms or had recapitalized in a way that dramatically lowered their credit.

What do you do if you have either a term or a permanent life insurance policy and suddenly an excellent company does something that dramatically lowers their credit? How do you monitor that? What do you do?

**Caban:** I think you would need to pay close attention, but it is not easy. But usually when those things happen, they send you documents that says, “The private equity company purchased...” When you get those kinds of documents, you need to pay attention.

**Fitts:** So if there is a change of control, they have to notify you?

**Caban:** Yes, I would say that would be the ‘trigger’ for me to say, “Hey, let me review this again.”

**Fitts:** What everybody is going to write and say is, “I can’t review it myself. I have to find a financial planner.”

**Caban:** You do, or there are trusted insurance people out there, and they do sell products. So that is fine, but you have to find somebody who is reliable. How do you do that? I think it’s like anything else; it’s like the questions that we listed the last time with insurance. You have to ask them to disclose. Get the ‘elephant in the room’ on the table, “How do you get paid? Do you only represent one insurance company, or do you look at a bunch of different ones?”

It’s a ‘captive agent’ when they sell only one company or a ‘broker’ who sells multiple companies.

**Fitts:** Last quarter, we went through how to find a financial planner and how to find a financial professional. So if anybody wants to listen to that, they can. We go through that.

I find myself trying to communicate. This happened recently. I was doing a show, and was trying to communicate the notion that you can’t just assume you can trust every financial institution or professional; you have to differentiate.

This came up because a very famous healthcare provider was thrown off JPMorgan Chase. So there was a big discussion on that.

I wondered, “Why would you not do risk management? Why can you not differentiate?”

This is an institution that has a demonstrated record of criminal behavior. Why would you feel safe there?

There seems to be an inability to translate the growing risk in the macro environment down to managing your finances. People will write and say, “My account is too small. They wouldn’t care about me.” Are you crazy? They care about every penny!

So, part of this is getting someone to understand that you are responsible to make sure your financial provider and institution has integrity, and you are going to have to take the time to learn how to do that and to find and vet people, which we can all do.

**Caban:** Everybody can do it. If you can get over that initial hurdle to start taking action and ask for help and then evaluate the help, there is an old saying from Ronald Reagan, “Trust, but verify.” So, don’t trust anybody; trust them after you check them.

**Fitts:** Trust that you can understand it. Trust that you can get intellectual mastery of this issue. So, quality matters tremendously. It’s very important with life insurance to understand why you need it and why you want it.

I think for people who can afford to self-insure, do it at some point because it’s not economic.

We want to talk a little about beneficiaries now.

**Caban:** I put that with life insurance because when you have changes in your life – divorce or death or remarriage – people won’t go back and change those forms.

**Fitts:** Why?

**Caban:** They don’t think about it.

**Fitts:** Really?

**Caban:** I've seen it in real life. If you get divorced, make sure you check all of your beneficiary forms because I've seen it where people leave their pension to their exes. We caught it because we looked at the documents, but they don't think about it, or they say, "I thought I did it," or, "The form got lost," or whatever it is.

I put that out as a public service reminder; if you are in any kind of change of life situation, double-check your beneficiary to make sure it's what you want and what is appropriate.

**Fitts:** Right, I've seen that happen.

Let's move to medical and dental insurance. With medical insurance, we've seen many changes in the last ten years. Talk to us a bit about medical.

**Caban:** I think it's widely known that over the last ten years, medical insurance is even more towards corporate control. You have private equity 'rolling up' in medical systems and local doctors and all this type of thing. It's increasingly hard to navigate that and get an honest person to deal with you without conflict or disclosing the conflicts.

Through COVID, we've all talked about this and are aware, but I think it's critically important to take responsibility for your own decisions first and foremost.

**Fitts:** During the litigation, I had constant challenges with Blue Cross/Blue Shield. I finally rolled over and did the Tennessee system, but the Tennessee system would constantly eliminate me, and I would have to do more and more invasive forms to get back on.

Finally I decided, "I'm going to go without this. The only time I will ever use this is if I have a car accident or if it's a trauma or a transportation accident."

I love AAA, and I've been a AAA member for my entire driving career. So, I got a catastrophic policy through them for car accidents. I was very careful with my auto insurance – between my auto insurance and the AAA catastrophic – to be absolutely covered for any car accident or transportation trauma. Then I

went without for a long period of time. Instead, I spent that money on health.

People have pointed this out to me: As the cost of healthcare insurance went up, it resulted in a budgeting question. Do you spend your money on health, or do you spend your money on health insurance? Each has risk, so you have to take responsibility and make the choice.

Finally, I found Samaritan Ministries, and there are these groups for Christians that will allow groups to self-insure each other. So, I used that until I was eligible for Medicare and a supplemental.

There were unbelievably difficult choices of which risks I wanted to live with. I discovered that healthcare insurance for me was not worth the cost. By spending my money on health, it was much less risky than spending my money on health insurance.

**Caban:** It gets back to the idea of: Are you aware of what you are paying?

For many people who work at a job as an employee, it is taken out of their paycheck, and people say, “I don’t have to deal with that.” But when you take the spending for health into your own control, you have to make the payments and you have to think about this; you have to do the receipts and all that.

If you just get started, it gets easier.

**Fitts:** If they are taking it out of your paycheck, you better read the specifics to know what the benefits are. You may think you have benefits that you don’t have.

**Caban:** That’s true, and I think it’s been true for 30 years. If you have any kind of significant medical treatment with a standard medical plan, you have to document, document, document because they will try to deny, deny, deny. They will say, “I’m only paying for this; I’m not paying for that. I spoke to Joe on Tuesday. I spoke to this lady on Wednesday.”

You have to have all your ‘ducks in a row’ to advocate for yourself just to get even what the policy says.



**Fitts:** I know doctors who get pre-clearance from the insurance company for anything, but they make all their patients sign forms saying, “If the insurance company doesn’t reimburse, you are liable to pay cash.”

So, health insurance is as if and when it doesn’t cover you. The doctors are saying, “You are going to have to chase them. We can’t create a business just chasing insurance companies that are fraudulent.”

So, what is happening is, in terms of reimbursements, they only do procedures that are approved by the insurance company unless there is full disclosure to the patient. Even with preapproval, less than 50% (and sometimes less than 25%) are being reimbursed. So, the insurance company is approving the procedure, and then they are not paying. It’s fraud; it’s massive insurance fraud.

**Caban:** It is. I would say the one thing that I would mention with regard to healthcare is the difference between acute and chronic care. I believe that for acute problems, it is why you have the AAA insurance; that is for a car accident.

I have a 16-year-old son who played soccer and tore his ACL. That surgery is a miracle of modern science. So, that part I do want. If I have children, I may want to have that type of insurance for that piece of the healthcare.

For chronic, I have no interest in chronic care from the establishment medical system. That is the way I personally look at it. With a family, you may have different risks like where you have to pay attention to children getting injured and things like that.

**Fitts:** Jennifer Walters hosts our health series who is a nurse. She has done a great deal to understand what you can get from the establishment healthcare that you need and want, and you get it without also getting ‘murdered’.

So how do I navigate? I’ve had her and Matt Hale, who is an attorney, talk about how to navigate that system and get all the good in that system that there is, and then how to go outside that system and get all the benefits. The best health is when you integrate your nutrition with your preventative healthcare with what you can get from the establishment healthcare.

**Caban:** Take the good, and leave the bad in every system including the established one. There is a piece of that which you may want.

**Fitts:** The hard part of that is that is a major job in terms of getting the knowledge and the intellectual mastery you need.

Because of being an investment advisor, I spent years reading about health. I would have friends who would say, “I’ve just been diagnosed with cancer.” I could literally save them ten years of research. I would say, “Get this, read this, and do this,” and send them to the specific things they needed because they didn’t have the time to do the research.

We are working on learning plans for the *Building Wealth* curriculum. The idea that I have to be my own doctor or my own nurse is daunting if you are someone like me.

**Caban:** I got a call from a company that makes the decisions for wealthy people. They charge a large amount of money; it is called the ‘black card of healthcare’.

I started talking with this person, and talked about nontraditional approaches to things like cancer, and the person was kind-of ‘pooh-poohing’ it. So, don’t assume that people who are wealthy get good care; they don’t know.

**Fitts:** It’s frightening. To a certain extent, when I got ‘booted out’ of the establishment I felt like that landed me amongst a group of people who have all these secrets; sacred knowledge which I would never have had access to if I hadn’t gotten ‘booted’. It was rather interesting.

**Caban:** I’ve always heard the same. Maybe you can comment on this since you spend time in Europe. I’ve heard that the Europeans spend half the amount on healthcare and double the amount on food, and we are the reverse in the United States.

**Fitts:** Right, and they are much healthier. It’s amazing.

I had one person say, “My financial planner says that unless I have at least \$25 million in my brokerage and money management accounts I don’t have enough

for retirement, so I can't afford to buy organic food.”

**Caban:** That's 'crazy'!

**Fitts:** Is there anything that you want to say about dental?

**Caban:** A lot of times dental is outside of medical; it's a separate coverage that you have to evaluate. For a long time, dental was outside of insurance. In the last ten years, it's been more common to have certain companies offer coverage. But when you look at that and go to even the dentist who you've been going to for a long time, they may say, “We don't take that insurance.”

So, if you go through dental insurance, you may be going to a different type of dental practice. You can evaluate the quality. I would say that it's a lower quality.

Quality matters in everything; you get what you pay for. Sometimes, even in dental, even though they now offer insurance, it pays to not have that and just pay out of pocket. The same is true for vision.

**Fitts:** I'm in the Netherlands system, and I am in the US system, so I'm in multiple systems. Off and on I've studied what is available internationally. Magazines like *International Living* will spend a good deal of time covering what the medical systems are like in other countries. I find there are so many countries where the options are much better than here (US). If you look at the national systems, they offer things that are much higher quality in terms of the economics of what is available through the insurance plan and the quality of what is available, including alternative medicine.

I have known people who, when they lost their corporate insurance, literally moved abroad until they could get Medicare. They would say, “From the age of this to this, I am going to live abroad just because I know I'm not adequately covered in the US.”

**Caban:** Even now, I see holistic dentists or biologic dentists where they pay attention to mercury exposure and fillings and how to remove a filling so you don't inhale mercury. There is a whole other world out there, and it's growing. More and more people are available; you just have to look for them.

**Fitts:** But it's cash, and you have to get over that. You have to say, "I'm going to pay cash for healthcare."

**Caban:** You do.

**Fitts:** This is one of my favorite topics; disability.

I remember in 1997 or 1998 when I let it go, I was paying \$8,500 a year for disability, and I had been doing that for more than a decade. Then I let it lapse. I thought, "Can I live without my disability insurance?"

I think about what I could have done with that. I think I spent about \$100,000 on disability insurance. If I had instead invested it wisely, I would have done much better.

**Caban:** If you are going to take that approach, it's because you are taking responsibility for your own decisions.

I saw recently the commenter, Ed Dowd, talking about how disability claims are going way up. He uses the St. Louis Fed database.

Those people who are on that upswing most likely haven't been taking responsibility for their own decisions, and that is the result.

**Fitts:** I was a very high-income person, which is one of the reasons it was so expensive. They were going to replace a significant amount of my income. But if you are responsible for two children and a family, that's a different story.

**Caban:** People in specific professions buy it through a professional organization. So, if you don't have it, when they sell it they you are more likely to be disabled than to die. You are more likely to need disability insurance than life insurance. Many people in companies – certainly larger companies – are provided disability insurance. They are provided short-term disability only to cover themselves working at the company. Many times, it's not even on their paystub. So, unless you read all the documents they give you when you start working, people may not even realize that they have it. They also offer long-term disability insurance.

Sometimes people in the middle who work for smaller companies may not think about it and don't have it. The thing is, when you buy it, it is expensive.

**Fitts:** My focus from the year 2000 on has always been on investing in making sure that you are doing the things that will keep you from becoming disabled.

It's really focused on preventive. I find that is your best risk equation.

If I had children, it would be different.

**Caban:** Even the thing where you talked about a catastrophic car accident, you could get into a car accident and live and be disabled. So, there is some aspect to that.

**Fitts:** One thing you can do, of course, is if you are saving and taking the effort to significantly save in a way where you control the savings, over time, that money can grow to a level where you can care for yourself.

**Caban:** You can even look at the disability policies. They don't pay out 100% of your income; they generally pay 60% of your income, sometimes as high as 70%, because disability insurance is received tax-free as long as you don't deduct it when you are paying the bill. That is an important thing for people to know.

Most companies will force you not to deduct it, so when you get it, it will be tax-free. It's the same thing with social security. They are assuming on disability that you are going to get it tax-free, but you can calculate it. It will say that it will pay 60% for two years or three years with a six-month exclusion period where it doesn't pay until you are disabled. You can calculate the dollar value of that, and then you can say, "If I save \$8,500 a year, how long is it going to take me to save and invest that 'pot' that I would have gotten with disability insurance?" because it's not unlimited.

**Fitts:** So that is the risk bet. That is why you have to make that choice personally; no one else can make it for you.

When I first got disability insurance, it wasn't a widely-practiced thing in my

experience. Everybody on Wall Street was saying, “I’m going to make \$100 million, and I won’t have to think about that.”

When I became really aware of disability insurance, it was when I lived in a community where, instead of giving people unemployment, a process began where they moved everybody to social security disability, including children. There was a series of systemic policies that were frightening because they put everybody on a healthcare treadmill where they wanted to be deemed to be sick. It was frightening. It was like paying people to adopt a victim mentality and be permanently sick because then they could get disability.

You entered into a world where many people were on disability insurance. So, talk a little about social security disability for the Americans.

**Caban:** For social security disability, it assumes that you have some work record. For people who are older, it’s 40 quarters or ten years of work. There is a sliding scale when you are younger than that. If you are a child and are disabled at age 21 or earlier, then you can qualify.

I’ve also seen it where it’s not necessarily easy to qualify for SSDI; it’s quite a process. I know one individual who is not a wealthy person. He was disabled, and was struggling. He couldn’t work. He applied and applied and applied, and they kept denying him. Three months later, he died. It wasn’t like he was lying, but they kept denying him.

I’ve also seen a case where somebody who was homeless and became mentally ill at age 20, got to age 65 and was still alive on the streets in Philadelphia, and he was not eligible because he never worked.

There is a work component. If you are a child, you have your parents’ insurance. There is a sliding scale there, but it’s not simple to navigate that.

**Fitts:** Right, it is very hard to navigate.

If you pull money from that system, a family or an estate at death can have it drawn back. In other words, you can end up liable to the system.

**Caban:** I think that if you have extra money, you can end up liable to the

system. If you have money outside of disability, it can be a clawback.

**Fitts:** Is there anything that you want to say about social security while we are here?

**Caban:** Those programs are not fully funded, and you can look at government sources for that. You can Google, 'How long will my social security last,' and look for the documents. Currently, it says that it will pay \$0.80 on the dollar starting in 2034.

**Fitts:** You gave me a printout showing how from 2010 to current, the percent of benefits available, projected is going up as the life expectancy goes down.

**Caban:** I tell people that. I don't know the exact percentage; it's something like 40% of Americans, but maybe it's a little higher, who will only have social security when they stop working. If you take a \$2,000 a month payment and cut that to \$1,600, that is a big impact – especially when we have inflation going on with food and these other things.

At least be aware of it. If that did happen, it will affect, not only people like me who have not claimed it, but it will affect people who have been on a claim for 15 years.

It's not an immediate problem, but I want people to be aware of it. The interesting thing is that they are getting closer to fully fund it as life expectancy goes down.

**Fitts:** I would say it another way: If you look at all of the things converging to make retirement financially challenging (because it is many different things), you need to be able to look at all of them, and you need to be able to manage these different pieces to handle your risk. It's not something quick; it's not something easy; it's not something that you can delegate; you have to take full responsibility.

**Caban:** You do, and much of it is beyond simply looking at your investment portfolio.

**Fitts:** You have an extraordinary intellectual mastery about all of these different areas, but I know that you have been working on this for a long, long time.

**Caban:** It started with doing it for me and my family. I wanted to make sure that we were covered. I said, “Let’s learn about this. What about these other things that are not covered?”

**Fitts:** It’s a full integration. I will say this: It’s chilling looking at the percent of benefits go up as life expectancy goes down.

I hate to say this, but when the budget deal busted, I said, “The only way they can break even if they can’t change the savings rate is to delay the retirement age or lower life expectancy.”

If you look at the numbers, it had to be lower life expectancy. That is what they immediately started to do.

**Caban:** There is a former Senator, Kent Conrad, who works on these issues. He has said repeatedly that each side of the political aisle has a certain set of solutions to ‘fix’ social security. Neither one of those on its own is enough to fix what is a big math problem. You need all the solutions. Then you can ask yourself, “What is the likelihood that Congress will work together over the next ten years?”

**Fitts:** Let’s talk about long term care. I used to have long term care insurance, but I never believed in it because the industry never looked like it made economic sense.

**Caban:** It did years ago; it was underpriced; it was too cheap.

**Fitts:** In fact, in New York when there was that huge wave of deaths in 2020, the year before the bankruptcy trajectory of long-term care in New York was an industry that was going to go bankrupt if things didn’t change.

**Caban:** They have since raised the premiums, especially for women. They can’t raise it on a person individually; they can only raise it as a class level. For example, all 50-55-year-old women in Pennsylvania have a different rate. They



have to go to the insurance board. But they've been allowing them to raise the premiums because the projections that they originally did were not accurate; they under-predicted the costs of the care.

**Fitts:** Would you do long term care? I don't touch it.

**Caban:** No. The only people it is appropriate for are people who are 65 or older, in good health, and then have some middle amount of money. You don't have so much that you can self-insure, and you don't have so little that you have 'bigger fish to fry'. You are in there, and maybe on top of that, you have a family history of neurodegenerative diseases like Alzheimer's and that type of thing. Maybe that is the case where you have to look at it and understand that it is going to be expensive. Then you have to look at what it is going to cost.

**Fitts:** If you spent that money on investing in your health, that is the tradeoff. That is much better.

Homeowners insurance is next, which is a favorite of mine. I've always had excellent experience with my homeowners insurance, but I've seen many people who have not had excellent experience with their homeowner insurance. Talk to me about homeowner insurance.

**Caban:** Understand that you can ask for different things to be adjusted there. The lower the deductible that you have, the more you get 'nickel and dimed' and the higher your cost is.

One way to reduce cost is to raise the deductible. That goes with having an appropriate cash balance for you. It is different for every person, but holding enough cash is important in the broad insurance picture because it allows you to pay for deductibles and other things like that or the health that you are investing in instead of healthcare. Remember that cash plays a role in that.

Also, you want to look at your coverage. You can ask your agent to do a replacement value calculation because you don't have to cover the land; you don't have to insure the land. It's a way to start learning about this and understand the leverage you can pull and push to change the price of the insurance.

Another thing I tell people to do is to go around their house and take pictures and save them. If you ever go through a law situation like people in Florida who go through hurricanes and things, then you become at odds with your insurance company.

If you can't prove everything in there, they will assume you had the minimum when they are reimbursing you. It's a way of standing up for yourself if you spend the time to go around and take pictures of everything. Document it and keep it somewhere where it doesn't disappear in a fire or a hurricane.

**Fitts:** You need multiple copies in different places. We have an article on archiving. I keep stressing to people that they need to do this.

It was really interesting: After Katrina, the people who went back fast were the people who knew to have copies of their policies somewhere other than their house because they had been through it before. They would have all of their documents, they would get it in, and they would get their money immediately.

**Caban:** It's very important. You can keep pushing it off, but it's important to do.

**Fitts:** I find that there is wide variation in the insurance companies that are honorable and will pay and will pay quickly and in full and those who don't. So, this is another area where quality is critical.

**Caban:** I've personally had better experience working with a local broker who looks at different companies. It's not always true. Sometimes you get a broker who is going to 'rake you over the coals', or you could get somebody who is a captive agent, but they are with Farmers Insurance or State Farm. State Farm is somewhat like the JPMorgan of insurance.

You have to look at that. I would say to be open to the fact that it's not a one-size-fits-all. In some cases, I have personally found better experience with a local broker who looked at all the companies and weighed everything, but then in other cases, it might be better to go with a local agent who is part of the community and has been there for many years. They are an honest broker, and

they will tell you the ‘real deal’.

**Fitts:** One of my biggest problems with homeowners insurance is that I don’t trust the insurance companies with data. That comes down to two issues: There are certain things I have in my home that I don’t insure because I don’t want them to know I have them in my home. I don’t want to put them on the policy. If you put them on the policy, you have a much greater chance of getting robbed than if you don’t put them on the policy.

**Caban:** Yes, you need to think about that also. What data are you disclosing?

**Fitts:** Right, and where is that data going to go? I don’t trust them ‘as far as I can throw them’ with the data. So, that is number one.

Number two, and this comes more with business insurance, is that they reserve the right to say, “You have to put this technology in for a fire system,” and suddenly, you have a surveillance device in the hall, and it is providing data to your worst enemy.

**Caban:** I’ve done this recently where they offered to give me a discount on my homeowners insurance if I would put in a Nest camera, and I said, “No thanks. I’ll pay the higher price.”

**Fitts:** Exactly! It’s the same thing where you have an opt-out program for the smart meter; pay the higher price. I find their invasiveness to be deeply offensive.

Is there anything else on homeowners insurance? I think that part of what we are saying is to know what you are insuring against; you are insuring against fire; you’re not insuring against a little piece of the roof being blown off by a bad storm that you can fix yourself.

**Caban:** One thing to remember that many people don’t think about with homeowners is liability insurance, which is general liability. Use the case of somebody slipping on your walkway and sues you. It’s important to remember in today’s world, depending on where you live and who you have coming to your house and this type of thing, that will go together with something later

called an ‘umbrella policy’, which is talking about general liability and preparing that if you were sued to not lose all your assets.

**Fitts:** You can get that with a homeowners, but you can also get it separate.

**Caban:** Typically, your homeowners might have \$100,000 and \$300,000 overall liability. Then there is an umbrella policy you can buy that is separate. It’s sold in blocks of \$1 million, but it’s inexpensive. But in order for that policy to take effect, you have to have an underlying policy in place. So, it only works if you have the underlying policy in place. That is why it is usually sold by the same insurance company to make sure that whatever the requirements are of the general liability policy that you have the requisite insurance underneath it.

**Fitts:** So you want general liability.

**Caban:** You can be sued, for example, like Alex Jones did for trillions of dollars. That is ‘beyond pale’, but I would say to have a policy that is at least one times your net worth.

**Fitts:** I’m assuming for that kind of lawsuit you are talking about E&O insurance (Errors and omissions insurance), which is business insurance.

**Caban:** Yes, for the Alex Jones type of thing.

**Fitts:** Would general liability ever cover that?

**Caban:** No, that would be different. Maybe I shouldn’t have used that as an example. But I would say that if you have the value of your investments and your house, add that all up. You probably want to have liability at least to cover that so if you got sued for half of that in an insurance situation and you lost the case, it won’t decimate your personal financial situation.

**Fitts:** Even though it’s not personal insurance, I will jump over to E&O. I spent a fortune when I was litigating. I had a very good E&O policy, and yet I did the E&O policy with an insurance company that was a criminal enterprise. Over the course of the litigation, I had to spend a great deal of money to pay an insurance attorney to police them and to teach me how to police them and to

teach me what insurance law said about what they could and could not do.

I had to get intellectual mastery of how to manage a criminal insurance company, and it was quite an education.

**Caban:** That's like the people in Florida on steroids where the insurance company is working against you.

**Fitts:** Exactly. In the Florida situation, were they holding the mortgage or the homeowners insurance?

**Caban:** I think it was only the homeowners insurance, but that was why I said to document your house. They are not going to fully cover everything that you lost unless you document it.

**Fitts:** I know one time I talked to a mortgage broker about refinancing my mortgage on my house in Tennessee. I found out that they had called up and transferred my insurance to them, even though I'd never done a mortgage deal with them. I had to get it transferred back.

**Caban:** That process of selling mortgages to a different servicer is fraught with nonsense. When they move the escrow and other things, I have to call them up and say, "Where do I send this?"

They say, "We're going to get it."

I say, "No you're not. I'm sending it to you. I want a record that I sent you the escrow," or you can say, "I don't have escrow." Even paying the bill, when they service it and they switch, there is a law saying they have to tell you ten days ahead, but they don't have to give you access to your new account until the day of the switch. Then the payment is due on that day. If you pay it three days later, you owe a late fee. It is such a dishonest process.

**Fitts:** I've been blessed because in Tennessee for my homeowners and auto insurance, it's been great. I have no complaints. You have an insurance company where the members can be stockholders. They are faithful. But when you get into these situations with insurance companies where every day that they

delay paying you, they can make more money and they are owned by a private equity firm; it's a war-it's horrible.

**Caban:** Best practice, if you can do it, is to keep your tax bills out of escrow. Then it's one less thing to have to 'fool' with them about.

**Fitts:** One of my favorites is auto insurance. I travel by car a great deal.

You know those courses you have to take if you get a speeding ticket but you are trying not to get your points? I have taken many of those courses. The troopers always talk about insurance. That is where I've gotten my best lessons on auto insurance.

Let's talk about auto insurance.

**Caban:** It's similar as far as deductibles. If you have a higher deductible, it is going to be a lower cost.

One thing to be aware of is that in today's world, fender benders, especially if you have a fender bender against a more expensive car, you will be shocked at how much that costs to replace it because of all the technology under the bumper and all that kind of thing.

If you are choosing a deductible and you say, "I can do \$2,500," people choose that. Then when they get hit with the bill, they realize that a scratch on the fender costs \$2,500," and they are shocked by it.

**Fitts:** I think on auto insurance, one of the most important is liability to the other parties for these catastrophic accidents where they have millions of dollars of healthcare and disability, and they come after you, and your policy only covers you for \$250,000 or so. Suddenly, you have general liability for the rest.

**Caban:** In that particular case, that is where the umbrella comes in. That umbrella covers both auto and homeowners. It stands on top of the liability of both of those, and it's inexpensive. I would recommend that people look at that because it plans for that type of a situation.

**Fitts:** Do you want to talk about the quality of providers?

**Caban:** If you look at ratings of companies, you want to make sure that you have a company that is higher quality, which means that they are better funded to cover all of their potential claims. I think when you are looking at that, you care about the case where them, as a company individually, would have issues, but the companies around them don't.

The process for that is usually anything that the insurance company can't pay, if they are not a good quality company, is split out among the other companies in the state. So, if you talk to an insurance person and say, "What if this company is not quality?" they will say, "It will get split out to these other companies," and that is true, but you probably would rather not go through that process. That is why you need to look at their rating.

There are rating companies like AM Best. You can look at their website and see ratings of insurance companies.

**Fitts:** All of my insurance comes through brokers who I know and trust. They are people who I can talk to, and they are people known in the community. If they did something horrible to me, everybody else would know.

**Caban:** That is the easiest, best way to do it. If you have people who you know and trust and who are accountable to you because of the relationships, that is the simplest thing. Then you don't have to know about things like AM Best; you can let them worry about it. Know that they want to give you a real answer.

**Fitts:** When it comes to all of these different things, I want to have a relationship with another human being who I know and who is known by me and other people I know. They can advise me on what I get. If there is a problem, I have a human who I can go to.

I keep being told that somebody got their auto insurance online, and I can't imagine doing that.

**Caban:** Your method is a very easy way for many, many people to operate

because it's based on relationships. That is probably the simplest thing to do.

**Fitts:** Is the online purchasing for things like auto and home going up?

**Caban:** I think maybe for people who are more tech-focused and people who are more into the tech world. They like to do everything online.

**Fitts:** There are things that I am happy to get online; insurance is just not one of them.

**Caban:** For most property and casualty owners and homeowners, there are still local agents in a physical office.

**Fitts:** And they are still available to provide you with an education.

Is there anything else that you want to say about umbrella?

**Caban:** Just realize what they said. It's not expensive, and it will cover the case where you got sued for something stupid that happened and you ended up losing. It prevents you from decimating your entire financial picture.

**Fitts:** Cash is part of an insurance plan.

**Caban:** It makes things smooth. When you don't have cash and you have an emergency, if you have no money, that is how you end up going down the credit card road and 'getting behind the eight ball'. It's not easy. People who don't have a lot of money to build cash is not easy to do, but I would say to focus on that because it's not only for insurance; it's part of financial health.

If you have some core piece of cash that you can use to fill the gaps for when things pop up, you might get reimbursed from insurance, but you need to outlay the money now.

**Fitts:** The other thing is that the things that pop up in the current environment are growing dramatically.

**Caban:** It just gives you the ability to respond to things without having the



extra stress of saying, “Where is the money coming from?”

If you’ve been in a car accident or whatever and you are under stress, it is just one less thing to be stressed about. You have to think about it ahead of time, set it up, and then dedicate yourself to maintaining it as part of the overall plan.

**Fitts:** I would say that part of it is not just cash, but cash at home and cash in the bank.

**Caban:** Yes, have a safe at home and have cash at home.

**Fitts:** I don’t know if you saw the governor of the Bank of New Zealand. After the cyclone, he said, “Thank God we had cash. What would have happened if we didn’t have cash?”

I said, “That guy clearly didn’t get the memo.”

**Caban:** I didn’t see that, but that is interesting.

**Fitts:** The *Hero of the Week* this week on *The Solari Report* is the former governor of the Bank of England who said, “CBDC (Bitcoin-digital sterling) is a solution for which there is no problem.”

**Caban:** It’s shockingly honest.

**Fitts:** The quote that we used from him is, “If a French Prime Minister wants to pay his minister a small amount of money and that information goes immediately to the CIA, that is not a way to run an international payment system.”

**Caban:** Not to go too much ‘off track’, but that is the thing right now with the 1099’s with all of these electronic systems like Venmo and PayPal and all that. At the end of this year, if they don’t put it on hold again, next year people will get 1099’s for all the money that you send to your daughter or whomever on Venmo and this and that. We’ll see what happens, but I anticipate that you are going to see a barrage of 1099’s, and then people won’t know what to do with it.

**Fitts:** It’s for any amount over \$600?

**Caban:** Yes, it was put in place for 2022. Then it was put on hold because there was going to be confusion. Now, as far as I'm aware, it's in place for 2023.

**Fitts:** Is it for one payment or accumulated payments?

**Caban:** I don't know if that is clear in the wording. I think it can be both, but it's not clearly stated in what I've read.

**Fitts:** That's why we are so glad about this announcement that the IRS can't just show up uninvited without a warrant. Do you want to tell us about that?

**Caban:** This week, the IRS announced that they are going to 'reduce' (not 'eliminate') people showing up at the door; they are going to reduce IRS employees showing up at the door. What we are talking about is they have two groups of people who would come to your door. One is called a 'revenue officer'; they are like a debt collector. They would come, and most recently, there is a reporter who released the Twitter files and had the IRS show up at his door. They had congressional hearings about this. That is what they are talking about. That type of person will be showing up less often – much less often.

Then they have the criminal investigators (special agents), and those are the only people who carry weapons. They are hiring them on the Fed hiring database all around the country. So that is not changing. The only thing changing is the people who would knock on your door and say, "Hey, we need to talk to you." So, they are reducing the revenue officers, and you have to ask yourself why.

**Fitts:** I did an interview recently. The person doing the interview runs a retail shop in Shelbyville, Tennessee. He had just gotten the new census, and he said it's the most invasive thing that you can imagine. He said it's even worse than the last one. I haven't looked at it yet.

Several times we've written articles about the census, particularly for businesses and what the rules are and how the regulations work and so on because they keep getting more and more invasive. So we discussed that.

A week later, I got an email from my bookkeeper saying that we received two

census, but I haven't had a chance to look at them. We will upgrade that, but I know that if you look at the process by which state and local and Federal government is asking for every drop of data, it's invasive.

**Caban:** You call it the 'data beast'; they just keep feeding it.

**Fitts:** Somebody posted at *Solari* and said they spoke with their bookkeeper in New York, and they literally want to know the names of the books on the shelves of the business.

**Caban:** It's 'crazy like a fox'; it's intentional.

**Fitts:** That used to happen to me with government. When I worked at HUD I saw how insecure the data was that the government collected. You know what an FBAR form is. I have to file an FBAR (Report of Foreign Bank and Financial Accounts) form because I have foreign accounts. I would always tell my clients, when I was an investment advisor, if they would have digital gold accounts, I would say, "On the FBAR, give them the last four numbers so they have the name of the account and the last four numbers. If they need to go to the digital gold provider with that, they can always find your account. It's fully disclosed. Do not give them the full number because the gold could disappear out of the account."

**Caban:** That is a big issue – not only with digital gold, but with digital currency. I'm not the only person who has ever asked this, but I asked an IRS representative a couple of months ago in a meeting, "Where is the cryptocurrency domicile?" because it matters for an FBAR. The FBAR is the form that you have to file if you have more than \$10,000 outside the country. "If you have a cryptocurrency (bitcoin), where is that? Is it on a server in Sweden? Is it in the US? Where is it, and how are you going to determine whether you have to file an FBAR or not?"

**Fitts:** What did he say?

**Caban:** They said, "It's under review." They had no answer.

**Fitts:** But if you look at the penalties for not filing an FBAR, it's a big penalty.

**Caban:** There was also a big case recently where the IRS lost because they used to say that it was \$50,000 per occurrence, and there was a wealthy businessman who had hundreds of accounts. They tried to fine him \$10 million. I think it went to the Supreme Court, and they said, “No, one per instance.” So they cut his fines from \$5 million to \$50,000 because it was for one year, and not for every account of 200.

**Fitts:** In my experience, Australia is often the leader of new regulations. They do it there first, and then it comes here. If you look at the regulations they were putting in about what you had to keep in terms of records for crypto, you had to be able to document what the market was at each trade. So, if you’re a CPA, you are legally liable to have documentation on the market for each trade. If you get somebody who didn’t do a lot of training, the easiest thing to do is remove them as your CPA.

**Caban:** I’ll tell you what I do: There’s a service that offers to track it all and give you the report that has to go on the taxes. I tell people that I’m not doing it, but if you insist on doing it, you have to use that. If the answer is, “I don’t want to do digital,” then I follow up with, “Then what are you doing with crypto?”

“If you are going to do digital, I won’t throw you out, but you must use that because you’re going to be trading in and out of all this, and I’m not going to spend the time to do that.” So, they can use that system and give me the report, and I can do that. But that is my limit.

**Fitts:** With any newer insecure market, you always have these issues. I’m different because I lived through eleven years of the Feds trying to falsify offshore accounts and saying that I had offshore accounts when I didn’t have any offshore accounts. If you think they can do that with the US banking system, wait until you see what they can do with crypto.

**Caban:** It would be on steroids.

**Fitts:** This has been very, very helpful. Is there anything else on insurance that we should talk about?

**Caban:** I think it's like what we've been saying throughout the discussion: Take ownership, get involved, and I like your method of finding local people who can be accountable. Use that to help you take charge.

**Fitts:** One of the things that always helped me was when I worked with a professional financial planner who was great at finding all of the statistics. They found what the statistical chance was that you would fall in the bathtub and hurt yourself, what the chance was that you would have a car accident, and all these statistics of life in the United States of America. He had some other countries, too. You could literally see, "What is the chance that I'm going to have a car accident? What is the chance that somebody is going to slip on my driveway and sue me?" That always helped me to face the risks.

Do you know where we can find those statistics?

**Caban:** I don't, but I will say that I commonly ask people certain questions. For example, if I buy a car and they offer me a warranty, I ask for the warranty because I use the pricing of that as a representative or a proxy for what it will cost the insurance company, on average, for my car to repair it plus a profit motive. So then I would say, "Can I afford to self-pay that or not?" It gives me information on the price.

**Fitts:** The other thing I have to say is that when you have a society going through many changes or under stress, or corruption going up, these things, in combination, dramatically increase risk.

I'll give you an example: On a trip I drove from Charleston to Memphis, and then drove from Memphis to Knoxville. If you look at how long it was supposed to take from Memphis to Knoxville, it took three hours longer because there were so many accidents on the highway. These weren't just two people bumping into each other and having an accident; this was like a pancake of 14 cars happening several times.

Since the pandemic and since the injections started, if you look at the number of traffic accidents and fatalities, it is rising.

So, risk in the general environment is going up, which makes insurance even more important.

**Caban:** I would agree.

**Fitts:** It also makes it more important to look at all of your risk and how you are managing your risk and say proactively what the best way is to do this. Do I want to change when and how I drive? I'm always telling people, "You don't need an investment strategy; you need a war strategy."

I feel that way because I've had more people report that they or someone they know has been in a car accident and the other person didn't have insurance.

**Caban:** It's not only the health issues; it's even things like people looking at their phones while they are driving. I've seen people on the phone, and I assume they are a drunk driver. Then I drive next to them, and they are looking at their phone. They appear to be the same as a drunk driver from behind; they are weaving. It's crazy!

**Fitts:** Now let's turn to talk a little about the markets. Once again, we started the year, and I had to listen to how the world was going to collapse and how the dollar was going to collapse and the stock market was going to collapse. Of course, it didn't happen – as usual. But we have seen a very unusual market.

I would say that the market is rewarding people who are promoting control. So, if you are engineering control, and if you are building the smart grid, it's big tech.

**Caban:** Those are the winners, and the rest of them are not; they are lagging.

**Fitts:** For us, it's horrible. Everybody else is flat, so we write hedges in our fund; hedges don't help in this environment.

**Caban:** When you are moving sideways, the hedge doesn't help. But then you look at a headline index, and it's 'through the roof'. It's driven by a handful of companies.

**Fitts:** I don't want to touch those companies with a '10-foot pole'.

**Caban:** When I see a line that goes straight up like this, that's not long-term sustainable. We could argue about the reasons for that, and I think we are in an interesting environment because I can read market commentators, and there isn't even a clear consensus; it is very confused.

Some people say that we are shorting the market, and some people say that we are buying. It's very discombobulated and volatile.

**Fitts:** The commentary doesn't fit with reality; reality is over here, official reality is over there, and it's very hard for people to make sense of it. That is of concern to me because I keep watching this. We've really been squabbling at *Solari*, trying to talk people out of getting scammed by precious metals. So, you can't trust the stock market, you can't trust the economy, and everything is going to fall. People get very afraid, and over here is how you protect yourself, which – of course – is worse than where you were.

**Caban:** You can be 'out of the pot and into the fire'.

**Fitts:** In fact, when I checked, somebody had put a video up that we did on Rumble. It was a *Solari Report* interview that we did with Naomi Wolf, which was very popular. It was on Rumble, and it had an ad for a precious metal IRA. I thought, "Oh my God!" The question is: How are we going to get that taken down?

**Caban:** The way I suggest people manage when it's discombobulated and when there is a reality or there is not a reality, and people don't know what is going on, try to bring it back to your individual situation. Think about what matters to you.

Some aspect of that might be in the stock market that is going like this, but what about the other aspects. Remind yourself of the full picture that you have, including your family and the people that you love and your situation. Just try not to live in fear; if you cannot live in fear, it's to your benefit.

**Fitts:** I did something on financial rebellion in 2022 called, *Where to Stash Your Cash*, which was wildly popular. Carolyn Betts and I are going to do it again, but we will walk through all the different 30+ options. There are millions of places

to invest, but you are right: They all come back to me and my life; it's back to getting intellectual mastery of yourself.

**Caban:** Even with our recent experience with the bank crises and all that, people get fearful about cash, and then start considering things that are not the best.

**Fitts:** Can I bring up something? The situation where we keep finding people who get into trouble because JPMorgan Chase or another bank engages in what I would describe as corrupt practices, and yet they have known for 20 years that that bank behaves that way, but still they are in that bank. The question is: Why?

**Caban:** I think that much of it is inertia; when people have inertia, they don't want to switch. They think it's going to be hard. You can tell them until you are 'blue in the face' what is going to happen, and they just leave it there.

**Fitts:** It's like not realizing who the beneficiary is on your policy.

I think that part of it is saying, "I have a time budget. Sometime I am going to spend to proactively manage my resources and my financial life."

**Caban:** And also to do things in pieces. Let's say that I have all of my accounts at JPMorgan Chase, and I've had them there forever. I don't want to have to switch everything. Don't switch everything, just get a new account and get started. Put a little money in there and start using it. You do it in steps. You don't just say, "I have to do everything all at once."

**Fitts:** Right, that is impossible.

I always like to have more than two accounts. I recommend that people have several accounts so that if they have to switch, it is easier. I've heard from multiple people in the last three to six months, "They want to consolidate into six banks, and they will do that, and there is nothing I can do. So, I need to be in one of those six banks now because it's inevitable. If I go to a small bank, it will just go down."

There is this program that says it's all inevitable that they succeed in



consolidating into six banks – whatever those six banks end up being.

**Caban:** I would totally give voice to you and John Titus. The local banks are not at risk. The reason you want to be at the local bank is that they are lending in your local community to your neighbors and to the people who you do business with, and you can look at them and look at their quality. If they are good quality, they don't have derivatives on the balance sheet and all that. They are not going out of business.

**Fitts:** There was an article about somebody who got thrown out. He had had an identity theft problem, which he reported to the FBI. Then I think Bank of America expelled him because there was an FBI broadcast with his name in it. So, they froze him because they didn't know him; there was no relationship.

That's why I say that you don't need a local bank or a big bank; you need a good bank. A good bank is a bank who knows you and doesn't throw you out because of some software glitch.

**Caban:** Even those big banks, over the years, went away from having tellers. If you go in and there is a person, it will switch from week to week.

If you go into a local bank, "There's Mary!" I see her every time I go in. I talk with her about something other than banking every once in a while. If there is a problem, I can say, "Listen, Mary, there is a problem."

**Fitts:** There is somebody who knows you. I guess it all goes back to believing that you can have intellectual mastery of all these different aspects of your financial life. If you just take the time, you can build them.

**Caban:** Just get started. If you do a little and look back a year from now or two years from now, you might be surprised at how much progress you've made.

**Fitts:** I'm hearing in these situations that everybody has this program in their head that, "My account is not important," and whatever the story is out there, "What is going on out there doesn't relate to me and my account, so I don't need to think about it."

There is an inability. You can watch the war in general, but you need to start to bring it into the risk management space.

**Caban:** Then you'll be better able to handle it instead of waiting until the tank is rolling down your driveway. If you prepare ahead of time, you will have a better experience.

**Fitts:** The equity markets have a broad index because the tech stocks outperform gold and clearly outperform bonds. Here is the interesting thing: I've been saying for many years that the bull in bonds is over. At the same time, right now, you can lock up 4-5% in a decent credit on a bond or a bank deposit on a short-term one.

**Caban:** The yield curve- all of the rates dotted out with a line-the longer-term ones are lower than the short-term ones. In three to six months, with a CD and any of those things, you can get 5% annualized.

**Fitts:** Even long-term, you can get a better rate than you could two to three years ago.

**Caban:** Yes, but I personally wouldn't want to be tied up in long-term.

**Fitts:** I agree, but if the chances of deflation are rising, which they clearly are, is fixed income starting to look a bit attractive?

**Caban:** That is what fixed income is primarily for. One key function of that is to protect against deflation. That is because if they have \$10,000 in an account and they lose their job, and they can't pay for anything anymore, and the prices get cut in half, now they can buy twice as many things with the same amount of money. So, yes, bonds look more attractive.

Just staying in the shorter maturities is keeping your 'powder dry'.

**Fitts:** Basically, a 6-18-month bank CD is where you will make money.

**Caban:** Correct.

**Fitts:** Tim, is there anything else that we want to cover? What do you expect over the next three months before we do our next *Equity Overview*? What are you looking at? What are you worried about personally?

**Caban:** I think about the old saying in the stock market that says, “Sell in May and go away,” and then I think about when to go back. Is it in September? Is it when school starts?

**Fitts:** Here is the other thing if you are buying: I’m in a savings plan, and I buy a little bit every month. The challenge you have right now is that things are relatively high. If the chances of deflation are going up, where do you buy? It’s not only: Do you buy in? The question is: What do you buy?

**Caban:** I would say that your approach of buying it in stages is a good one. If you are putting new money into the market, spread it out with a dollar cost average because we don’t know what is going to happen. Even if you look at the VIX, it’s in a very low level historically.

**Fitts:** In *Money & Markets*, we look at the VIX almost every week. You think, “How can the VIX be this low this often?”

**Caban:** I saw a headline on the news recently. People somewhat get it. If you’re old enough, you’ve watched this game over and over. The headline was something to the effect of, “The VIX is at the lowest level since 1987.” So, the person who wrote that headline was making a statement. They don’t know what’s going to happen, but I would expect unexpected volatility and be prepared for that. If you are putting new money in, put it in in steps; putting it all in at once, shocking things can happen.

**Fitts:** I have companies that I love. Any time they get slammed, it’s like, “Oh, a sale!”

**Caban:** Also, know why you own things. If you own it for the long term, it is a sale because you’re not looking to sell it in the short term.

**Fitts:** That’s what I want; I want to know which company can turtle through anything that could happen over the next ten years.

**Caban:** I've always listened to you saying that whoever figures out how to collect space garbage will be the best investment.

**Fitts:** I said that, and then a company got started in Zurich a couple of years ago that has been doing clean-up of space debris. Talk about an engineering challenge; it's a very tough engineering challenge!

I will close on this note: Because of what we do at *Solari*, we read plenty of very negative information; there is a huge flow of negative information every day. Yet what we do with the *Solari Investment Screen* every day, we are underwriting companies all over the world. Ricardo Oskam and I find these beautiful companies that are amazing. They've been doing things for generations. You look at them, and I love them because it's like their own little world. What they are accomplishing and what they do is astonishing, and yet it's like a secret that nobody knows about. There are literally hundreds and hundreds of them all over the world, and it's quite beautiful.

**Caban:** That is true in the local community also. There are good people out there. Don't spend time getting bogged down with worry. Go out and introduce yourself to somebody. There are good people in your local community. Get to know them.

**Fitts:** We've been working a lot with state and local legislators because if you look at what is happening with trying to protect financial transaction freedom, that is where the action is. So, I would also say to not only get to know them, but get to know your state legislators.

**Caban:** Also, get to know them. At a recent local meeting about development, a legislator asked a developer to not put in natural gas in an apartment building that has 300 apartments because of 'global warming' and I was shocked. This is a very local state level legislator who showed up at a meeting to ask that.

It's important to keep fighting that narrative, too. If I knew that person was there, I would have been there also. Now I know.

**Fitts:** This has been a very, very useful conversation. Do you have any other

thoughts that you want to add before we go?

**Caban:** It's summertime; get out and enjoy the beautiful weather.

**Fitts:** Definitely enjoy nature. Get off the screens!

**Caban:** Exactly!

**Fitts:** Tim, thank you very much.

**Caban:** Thanks, Catherine.

**Fitts:** Ladies and gentlemen, thank you for joining us on *The Solari Report*. We will be back with the *Equity Overview* in the next *Wrap Up*. Have a great day.

## MODIFICATION

Transcripts are not always verbatim. Modifications are sometimes made to improve clarity, usefulness and readability, while staying true to the original intent.

Nothing on The Solari Report should be taken as individual investment advice. Anyone seeking investment advice for his or her personal financial situation is advised to seek out a qualified advisor or advisors and provide as much information as possible to the advisor in order that such advisor can take into account all relevant circumstances, objectives, and risks before rendering an opinion as to the appropriate investment strategy.