**BRIEFING PREPARED**

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**Investing Background: Investment Logic**

**Why Jeff Weiller Is Backing Parknav**

This briefing describes my background, investing logic, and why I am backing and investing in Parknav.

**Investing Background**My professional background has involved working in commercial real estate, primarily in New York City. In that role, through interacting with senior executives of some of the most successful major companies, I was exposed to their strategies and business practices, for – to advise and represent major companies in their corporate real estate priorities and objectives – necessarily I needed to understand the fundamentals of their business, their company’s distinctive competencies, and the strategies they were pursuing. Consequently, I have had an ‘inside the corner office/Board room’ privileged position to observe those practices that characterize the most successful businesses.

It has been my good fortune to enjoy considerable success in my professional and business Involvements. My business success has afforded me the opportunity and the need to invest substantial earnings – beyond what is needed to support my family and lifestyle. To this end, I created a family office to coordinate and manage such investments. Consequently, over the years I have pursued my investing program with a very serious, carefully considered strategy.

Through being active in the New York business scene plus building on my family’s background in identifying and investing with leading investment managers, I have done well by investing with other smart, successful investors: such as investment luminaries VIZ: Warren Buffet, Mario Gabelli, Bill Ackman, Chris Brown of Tweedy Browne and professors from Columbia Business School: Bruce Greenwald, Paul Sonkin and Michael Van Biema.

While I am motivated to find investment opportunities that offer a strong rate of return, I am even more interested in discovering investments which might provide not merely an annual *percent rate* of return, but a return that is multiples of the initial investment amount. Parknav has the potential to deliver a *substantial multiple of invested capital* return to investors.

**Investing logic**

In my personal and family office investing, I am attracted to:

1. Solid business economics
2. Strong market position
3. Substantial scale market
4. Smart people

Each of these are discussed below.

1. **Solid Business Economics**

Solid business economics means superior competitive position, customer base, business model, revenues, operating economics, margins, capital investment. Over the years, I have learned what sound business economics means from my own investing, my clients, my customers, my business. In my experience, investing in sound business economics can be highly rewarding.

Working in New York, necessarily I had considerable interaction with and exposure to major players in the capital markets. This exposure complemented what I was exposed to in my own investing involvement.  In this regard, I have observed that data and the analytic technologies around data have become an increasingly important factor for many businesses. As a case in point, Wall Street firms have made major commitments to data and data analytics. Michael Bloomberg built an extraordinary company through employing data and technology to support the functioning of the capital markets, generally, and investment management, specifically. Data-intensive companies that achieve reasonable market share coupled with the prevalent high margin evidence strong profitability.

1. **Strong Market Positions**

I favor companies which have strong market positions and the prospects to realize substantial monetization of those market positions. And, when I discover companies with a strong market position, I like to take a meaningful position in the company. The payoffs of this investing logic is illustrated by Peter Thiel’s investment in Facebook.

To this point, at the time Facebook achieved 10 million members – this was early on in 2006, when the Facebook member count was less than .4% of its 2.7 billion members today – I recognized that Facebook could be a very very good investment because of its strong market position.

My recognition that Facebook had great potential derived from the perception that it seemed likely that Facebook could generate at least $10 of revenue annually from each member. Making $10 on each of 10 million members would add up to $100 million of revenue.

My reasoning back then was that it was only a matter of time before Facebook could be very successful. Essentially, my thinking followed what Peter Thiel – who is a graduate of Stanford Law School, located at the epicenter of Silicon Valley, the world headquarters of tech innovation – had discovered two years before.

Peter Thiel’s $500,000 investment in Facebook in 2004 was just short of 1% of the $55 million that he received for his 3.7% interest in PayPal, when that company that he headed was sold to eBay for $1.5 billion. The approximate $2 billion that Peter Thiel subsequently realized on his investment in Facebook – his investment today would be worth $9B had he not sold his share – is a 2000X multiple return. What is most fascinating is that through investing 1% of his PayPal sale proceeds in Facebook, he realized a return 40X of the entire PayPal sale proceeds from what at the time was regarded as an extremely successful exit.

Peter Thiel’s extraordinary accomplishment in being a driving force in building PayPal and achieving a most successful exit in selling the company to eBay – which story is most entertainingly illuminatingly, and informatively told in Eric Jackson‘s riveting *PayPal Wars* book – and then investing a portion of the proceeds from the PayPal sale to gain an important position in a high potential start up, illustrates a fundamental principle of wealth creation. Specifically, success in an entrepreneurial, professional, or other venture can generate financial proceeds which, if astutely deployed, can realize multiple returns from what was realized in the initial success that provided the funds to be deployed in the subsequent opportunity.

Indeed, applying the very *strong market position* principle has been my experience in a variety of my successful investing initiatives over the years. In particular, my professional business success generated funds that I then deployed in backing Warren Buffett and Berkshire Hathaway in 1984. While I had been quite successful in the business activities that provided the funds to invest in Berkshire Hathaway in 1984, the extraordinary returns that I subsequently realized from Berkshire Hathaway dwarfed by exponential orders of magnitude the proceeds from my prior business success that generated the monies to fund my Berkshire Hathaway investment.

Facebook today has 2.7 billion members and $87 Billion of revenues, which metrics equate to $32 of annual revenue per member or *9¢ per member per day, every day.* Facebook’s $32 revenue per member is more than three times the $10 per member revenue reference point that I estimated 15 years ago. Facebook’s 2.7 billion member count coupled with high revenue per member is strong testimony to the economic power of strong market position.

Non-mainstream, not generally recognized ideas – such as 15 years ago perceiving that Facebook had extraordinary potential – have been the source of a very rewarding investments for me and my family.

1. **Substantial Scale Markets**

Substantial scale markets appeal for simple numbers logic: a company that captures a meaningful share of a very big market necessarily can be much more valuable than a company with a similar share in a smaller market. To this very point, a commentary published in *Forbes* noted:

*Determining the market size is critical. It tells you and your partners, team and investors how much potential business is really out there. It helps calculate how much value there really is for your individual venture. This is critical to know, even if you never plan to raise a dime in outside capital (September 23, 2018 How to Effectively Determine Your Market Size, Alejandro Cremades Author of The Art of Startup Fundraising & Serial Entrepreneur)* [*https://www.forbes.com/sites/alejandrocremades/2018/09/23/how-to-effectively-determine-your-market-size/?sh=1bec4b4313d8*](https://www.forbes.com/sites/alejandrocremades/2018/09/23/how-to-effectively-determine-your-market-size/?sh=1bec4b4313d8)

I like substantial scale markets, because when you are right, the rewards are so very much greater than are possible in a smaller scale market.

1. **Smart People**

As described above, I have done very well by identifying and interacting with some of the smartest and most successful investment managers. In the third full paragraph on the first page, some of the leading investment managers that I have invested with are listed.

In making my business and investing decisions, I supplement my own thinking and insights by considering what very smart people prioritize. The genius CNBC anchor Jim Cramer (who sent to Harvard Law who likely has a genius IQ and photographic memory) says that if he got to do it all over again, he would go get a doctorate in computer science at Stanford.

If Jim Cramer recognizes the value of a Stanford education, then companies led and advised by individuals educated at and with degrees from Stanford and backgrounds in technology exemplify the *smart people* I want to back and invest with.

***Why I Am Backing and Investing In Parknav***I am backing and investing in Parknav because the company, its leadership, and the people associated with the company match what I have learned over my investment career can result in very rewarding outcomes:

*It makes sense to find brilliant investors and managers, whose business philosophy match my own, and invest with them. In my experience successful investors invest in GREAT PEOPLE as well as business economic value and prospects.*

Through following what has proven to be so rewarding over my investment career – it makes sense to find and invest with brilliant investors and managers – I made the acquaintance of Dr. Stephen Roulac. Researching his background, I learned that the two of us share connections to the New York real estate scene. In addition to being the world’s leading property strategy analyst – having advised leading players ranging from Apple to CalPERS to Goldman Sachs to numerous government agencies (SEC/IRS/HUD/DOL/FHFA) plus companies/investors/ governments globally – Dr. Roulac has been active in advising and investing in leading tech companies.

I was intrigued to learn Stephen Roulac’s portfolio companies are selected because they model and monetize the implications of his award-winning research concerning how value is created –*IDEAS* are most important – and the seven TICMELM technologies that transform society and commerce. The TICMELM acronym refers to seven technologies that have extraordinary impacts on changing society, business, and investing. These seven technologies are:

* Transportation
* Information
* Communications
* Making
* Energy
* Learning
* Money

These TICMELM technologies enable and respond to the phenomenon of place choice, which emerged in the 18th century.

Dr. Roulac’s formal education includes Harvard MBA, Berkeley Law JD, and Stanford Business School Ph.D. These universities are ranked in the top four in the world. Dr. Roulac is the only person both to hold a graduate degree from all three and to have held academic/research appointments at all three.

Professor emeritus at Stanford Business School at the gateway to Silicon Valley Dr. Roulac vets hundreds of opportunities and culls them down to a handful of outstanding opportunities to invest. He has exposure and access to review lots of opportunities and he very selectively invests. Dr. Roulac has a highly successful track record in his investments of tech startups with tech investment luminaries including Peter Thiel.

Talking to him, I learned that he was *lead investor* in two of his portfolio companies which were each raising an investment round on the Wefunder platform. This leading crowdfunding site provides investors access to extraordinary new companies that they might not otherwise have the opportunity to invest in.

The discoveries and implication of Dr. Roulac pioneering research concerning place choice – the defining differentiator between society before and after the late Renaissance and early industrialization – and the TICMELM technologies has informed his investing strategy and company selection. This led him in 2014 to identify Eyal Amir and, after much investigation and dialogue, to invest in Parknav, the company he founded to make cities smart and the people and enterprises which interact with cities smarter about cities – all in real time.

The Parknav videos with Eyal were fascinating. The Parknav site on Wefunder is most intriguing. Parknav has a huge Potential Market Size including but not limited to worldwide cities, retailers, and data miners. Parknav already has “Proof of Concept” – enough said.

Parknav CEO/founder Eyal Amir, an extraordinary entrepreneur/data scientist, is recognized as one of the world’s leading authorities on artificial intelligence. His brilliance, patents, award-winning research are the intellectual property foundation of the Parknav business. As Jim Cramer, who recognizes the unique value of a doctorate in computer science from Stanford, we think Eyal is smarter than the two Google founders.

I am very attracted by the opportunity to back a company led by an entrepreneur/scientist who not only holds a Ph.D. in computer science from Stanford where he was classmates with Larry Page and Sergey Brin. After they left to start Google, Eyal Amir stayed to complete his thesis, which was recognized as the best Stanford Computer Science dissertation. Particularly intriguing to me is that the subject of Eyal Amir’s dissertation was the artificial intelligence technology innovations that are the intellectual property foundation of Parknav.

After being exposed to the Parknav story, I immediately grasped that “this is a real estate play”. The reason why Parknav is a real estate play is that: facilitating mobility destination access to properties in the context of parking and the related transit ecosystem is an essential “critical success factor” for achieving the most rewarding the real estate enterprise projects.

Think of a shopping center providing parking that is intended to be pleasant, accessible, appealing in attracting people who need to park their cars, before strolling through the public places and then patronizing the shops. The money the people spend in the shops enable stores at the shopping center to pay rent to the shopping center, which rent then covers the cost of investing in and maintaining the spaces where visitors park their cars. The free parking is a precondition to attracting people to the shopping center, to spend money in the stores, enabling those stores to pay the rent that provides a return to the real estate developers’ investment in creating that shopping center.

Extending the above to the town center of a city, street parking is provided to serve the objectives and needs of the people live in and patronize shops come restaurants, and other venues in that town center. After they park their cars, people visit and interact with friends and family in their residences or patronize shops and restaurants. These residences, shops, and restaurants are located in properties that pay property taxes, which property tax revenues fund the operations of the city. Parking is a precondition to be able to spend money in shops and restaurants as well as to visit in their residences the people who live there. The money spent in the shops and restaurants pays the rent to the property owner, which rent receipts are used to pay property taxes. The property taxes are the source of revenues enabling the city to fund its place management Activities of marketing, maintenance, and stewardship of the place, so that that place may appeal to people and support the objectives of stakeholders in that place.

Parknav already is a profitable company with

* Prominent clients like BMW, Siemens, Deutsche Telecom
* Important backers – such as Microsoft and Volkswagen;
* Tech luminary investors such as Bill Gates, Jeff Bezos, Michael Dell, and many other technology/entrepreneur luminaries whose companies collectively have a value close to $7 Trillion.

Parknav current net income of some $1,000,000 on a $50,000,000 valuation is already a 2% return on assets – already close to the 5% average for corporate America in the Fortune and S&P 500. Parknav has a huge Potential Market Size including but not limited to worldwide cities, retailers, and data miners. Parknav already has “Proof of Concept” – enough said. Dr. Roulac advances a compelling case for Parknav prospectively to pursue the path to a $5 Billion valuation in 2028 and $10 Billion in 2030.

The ten reasons why Stephen Roulac is backing Parknav on the Wefunder crowd-funding platform (Wefunder.com/Parknav) mirror my own thinking:

1. **BIG IDEA**
2. **PROPRIETARY PATENTED Ai TECHNOLOGY**
3. **MASSIVE MARKET: BIG OPPORTUNITY**
4. **COMPELLING VALUE PROPOSITION**
5. **POWERFUL BUSINSES MODEL**
6. **PROMINENT BACKERS: PARTNERS/CUSTOMERS/INVESTORS**
7. **STRONG GROWTH MOMENTUM & MARKET LEADERSHIP**
8. **PARKNAV EARNED $1MM PROFIT IN 2019**
9. **ON PATH TO $5B VALUATION THIS DECADE**
10. **BRILLIANT CEO AND STELLAR MANAGEMENT TEAM**

While I have made a number of rewarding investments and investing insights over the years, two standout:

* In 1984 I identified Warren Buffett as a brilliant investment manager. In the 37 years since then, Berkshire Hathaway shares have increased 90X.
* Long before Facebook went public in 2012 I recognized its 10 million members could be monetized most profitably. My $10/ member revenue assumption has been eclipsed more than 3X – now Facebook makes $32 on every member – as members have grown 270X to 2.7 billion.

The people behind Parknav and the business itself meet my ‘invest in GREAT PEOPLE as well as business economic value and prospects. Prospectively, Parknav could be another standout investment, like Berkshire Hathaway and Facebook.

Summarizing why I am backing and investing in Parknav:

1. **Solid Business Economics** – The company has already earned a $1 Million profit. Parknav has a very profitable business model, for being a data solution company, margins are high. So as revenues grow, profits can grow.
2. **Strong Market Position –** Parknav enjoys a very strong market position: market leadership, as evidenced by first mover advantage, and a strong moat that competitors would have a hard time breaching.
3. **Substantial Scale Market –** The Smart City market is extraordinarily large revenue. Today’s smart city market scale is around $1 Trillion and growing to $3 Trillion in five years. A one-tenth of a percent (.001) revenue capture translates into $1 Billion or $3 Billion of Revenue from Smart Cities – and the Smart Cities market is not Parknav’s only vertical. Move the decimal point one place to the left, revenues could be $10 Billion to $30 Billion. Strong market leading technology companies sell for multiples of revenues. Even a very modest market share capture could translate into a phenomenal value for Parknav.
4. **Smart People** – Eyal Amir and lead investor/strategy adviser Stephen Roulac are brilliant. As Jim Cramer says he would get a doctorate in computer science from Stanford, it is providential that by investing in Parknav, I am backing entrepreneur/scientist CEO Eyal Amir who not only earned his Ph.D. from Stanford in computer science but his research – which Stanford Ph.D. thesis is the intellectual foundation of the company.

I think Eyal is smarter than the Google founders.

Parknav has the prospect of delivering a return that could be a multiple of my investment. Parknav valuation is now $50Million. Dr. Roulac says the company has a clear path to a $5 Billion valuation in 2028 and prospectively a $10 Billion valuation in 2030. Based on my conversations with Dr. Roulac, I recognize that the prospective return from investing in Parknav now could approach or even exceed 50 X my investment.

While as enthusiastic and optimistic as I am about the prospect that Parknav could be another stellar position in my portfolio – delivering a high multiple of my investment just as Berkshire Hathaway and Facebook have been stellar positions in my portfolio – anyone reading this should keep in mind that investment opportunities that offer extraordinary potential returns are accompanied by risk.

While I have made a significant investment in Parknav, which I am optimistic can be highly rewarding, I have not invested so much that it would be devastating to me if anticipated high returns were not realized. That said, on balance, the prospect of very attractive returns sufficiently outweigh the risks to justify a meaningful commitment to this opportunity to invest in Parknav.