

# MicroCap Review

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Neil L. Seeman BA, J.D, MPH, Founder & CEO  
www.riwi.com



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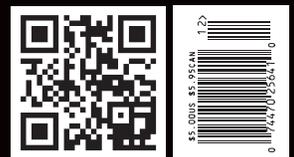
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# RIWI and the Next Generation of Global Applied Analytics

“Ever since my graduate work at Harvard studying the misery after a pandemic or terrorist attack, I’ve been fixated on one problem: How do you obtain scientifically reliable, random and predictive data about people’s true fears, actions and behavior from anywhere in the world?” asks Neil Seeman, the founder and CEO of RIWI Corp. (CSE: RIW).

For example, how do you know whether people will see a public health safety message and then take a vaccine so they don’t spread a lethal virus? Will a video message campaign about the brutality of ISIS work to stamp out violent radicalization? Until RIWI, the Internet has been unable to answer these questions.



Neil L. Seeman BA, J.D., MPH ,  
 Founder and CEO

Since the 1990s, the public has become accustomed to unreliable, unscientific opinion data from online panel surveys, where people earn rewards or cash in exchange for opinions about political candidates or products. By the mid-2000s, social media analysis was even less reliable than panels as a way to assess changing public sentiment. Then, in 2006, Neil and his brother Bob were studying new advertising models of website domain addresses (like woma.com). That’s when Neil’s business epiphany came.

“RIWI was born as an idea I sketched on my infant daughter’s erasable marker art easel in 2006,” Neil says. “My brother, an expert in website domain names, had been seeing erratic trends in website advertising revenues. Even though he owned great websites, we knew we weren’t going to become billionaires by selling ads online. So I showed him a crude algorithm on the art easel about how we could access millions of rotating websites in real-time from any country to intercept people randomly and in a scientifically representative fashion and get opinions from people who don’t post online or participate in survey panels. We did lots of cool stuff, including predicting the fall of Mubarak during the Arab Spring, which earned us immediate attention in the international security sector,” says Neil.

“Someone had to eat into the margins of the large polling and market research firms, so why not me?” Neil also felt there was a massive first-mover opportunity for mone-

tizing the enormous data the Company could obtain that had nothing to do with market research but with what is now called applied analytics, a \$150 Billion annual market that enjoys the highest premium pricing in Big Data since it offers businesses continuous machine learning for the broadest possible range of insights. For example, the Company could uniquely help government agencies measure whether an operation in a war zone was meeting its objectives, or whether people were witnessing corruption among public officials. “Between me, my brother, and Alton Ing – the Chief Technology Officer in the research unit that I ran at a College – I couldn’t think of a trio who knew more about how to build out the technology for this amazing opportunity,” states Neil.

RIWI incorporated in 2009 and was at the side of his desk as ‘cool and disruptive’ but Neil says that he didn’t chase enterprise clients until mid-2012.

Even though the Company had solved the barrier-to-entry risk through strong intellectual property, building strong data and technology partnerships, and through proving out the technology in academic studies and in client use cases, it needed a strategic investment without turning to offers from dilutive Venture Capital.

So Neil pitched the idea to his founding shareholders, Robert Pirooz and Ross Beaty, the well-known entrepreneurs and investors of Pan American Silver fame (TSE: PAA), and they jumped on it. They hammered

home the importance of keeping things lean. The Company hired a small management team with proven expertise across four business lines: consumer research (with a focus on emerging markets); global development research (contracting in long-term agreements with governments and with prime contractors to G7 nations); international security; and global finance. “The Company discovered the best way to scale was through long-term agreements and monthly subscriptions,” Neil says.

“Our marketing, capital formation and business strategy then fell into place quickly. We needed a business strategy that leveraged the financial benefits of long-term agreements and could capitalize on our marquee clients, such as the Bill & Melinda Gates Foundation, Harvard University, the United Nations, the World Bank, and the US State Department. Marketing in three of our four target sectors was relatively easy since clients in security, the development sector and finance work in tightly knit communities.”

The Company found marketing more challenging for consumer insights work. Even the prestigious awards from the market research industry that the Company won could not raise the awareness it needed in that sector. RIWI is a five-time winner of the ‘Top 50 Most Innovative’ GRIT award, the 2013 ITeX Disruptive Innovation Award and is a winner of the coveted Next Generation Market Research Award. When the Company struck a sales partnership with the leading Japanese research firm Cross Marketing Inc. (TO: 3675) in Tokyo, marketing across Asia was easier. RIWI discovered it needed to focus mostly on long-term opinion trackers in the topic areas that the Company was the best in the world at, such as highly sensitive topics (e.g., hypertension prevalence, attitudes toward ISIS, or recreational marijuana use market sizing), or topics that required the opinions of huge numbers of Millennials, especially men under 35, a key demographic that online panels, telephone surveys and social media analytics increasingly couldn’t reach.

“Our technology won us increasing attention, and so did our prediction for finance clients of the election of President Donald Trump, as well as our research with Oxford and University of Manchester academics on the turnout model that would decide Brexit. We were also the only Company to predict the stunning, precise margin of defeat for the Italian constitutional reforms in December 2016.”

“Capital formation needed to align with the Company’s business strategy and be as non-dilutive as possible,” Neil adds. “A public listing gave us flexibility: given that costs associated with increased sales in long-term agreements were low for RIWI, going public on the CSE without a raise made sense. RIWI is now a popular microcap with enormous scalability, great backers, strong governance, the opportunity to cross-list onto major US exchanges when ready, and to accept tactical private placements from hedge funds (which occurred in April 2016) and from strategic investors.”

RIWI has advanced its technology into an Information-as-a-Service (IaaS) and global applied analytics firm. It has engaged more than 1 billion people in the world to collect message testing data, behavioral reaction data, and survey data. The ongoing machine learning and data feeds provide clients, in customizable dashboards and in an extremely wide array of data file formats, continuous applied analytics, not just data dumps. RIWI is perfectly poised for explosive growth since it is only using a fraction of one percent of the Company’s processing capacity and its software scales horizontally to manage massive demand. RIWI’s big agenda is growth. That means gaining more long-term agreements, more key accounts, and becoming more of a direct supplier to governments, in addition to being a sub-contractor to more major organizations such as Freedom House, for which RIWI is the sole digital data supplier in a consortium with a five-year agreement to the US Agency for International Development (USAID). Management aims to move rapidly such that a short contract

is one year, the average engagement is two years, with upper-level contracts of 5-15 years. It is expected that these contracts will range in size from \$2MM to \$30MM.

“We aim to be the Booz Allen Hamilton (NYSE: BAH) of global applied analytics, serving government agencies and global consumer firms looking to understand product uptake, usage trends or geopolitical risk triggers in any part of the world,” says Neil.

The Company not only charges for its unique services in a highly cost-effective manner, but it also charges additional fees for the number of users on the RIWI platform. The applied analytics industry, under all the Company’s four business lines, is large and growing: it includes the evaluation budgets of roughly half of one percent of the GDP of every G7 nation; the roughly \$45 Billion (est. 2.2% year-over-year growth) in the annual market research spend; the growing multi-trillion dollar efforts to combat terrorism globally; the growing number of quantitative-driven hedge funds devoted to better understanding changing geopolitical risk in all parts of the world; and growing return-on-investment analytics critical to the ever-rising (now more than \$223 Billion) worldwide annual digital advertising spend.”

One final part of RIWI’s path forward is turning on its investor-relations engine so that more than just the Company’s tight investor base and people close to the data sector know about the Company’s growth trajectory and vision. “We’ve been under the radar from a capital markets perspective. That’s going to soon change,” says Neil. “What will never change is our commitment to solving some of the hardest data challenges in the world to serve our customers with a vital, increasingly intelligent data and analytics stream that is otherwise unavailable in the global marketplace,” he adds.

www.riwi.com ■