

## 98 TRG Transcript

Mike Stohler

What if you could be doing something smarter with your money that creates income. Now, if you're wanting to get ahead financially, and enjoy greater freedom of choice, if you want a comfortable retirement, and you know you'll have more choices, if you can do more with your money. Now, if you've wondered who else is creating ways to make their money work for them, and you want actionable ideas, with honest pros and cons, and no fluff. Welcome to the richer geek podcast. We're here helping people find creative ways to build wealth and financial freedom. I'm Mike Stohler, and in this podcast, you'll hear from others who are already doing these things, and learn how you can too.

Everybody welcome back to the richer geek podcast today we welcome Jonathan Hung How you doing Jonathan?

Jonathan Hung

I'm doing great thank you Michael.

Mike Stohler

JOHN or Jonathan what can we

Jonathan Hung

either or both in a professional setting if we go drink and then you know me as Johnny

Mike Stohler

Well, I'm not sure people get would call me Mikey without a sneer but right. Same with me Mike or Michael but you know, so, Jonathan, you are an angel investor, a venture capital partner. And to set the tone ladies and gentlemen I'm not sure that there's a place that's like the places to graduate that Jonathan hasn't graduated from. I would get this okay several degrees from the University of Seoul cow London School of Economics, Masters chroot Massachusetts Institute of Technology MIT and the one of the big ones the Wharton School at the University of Pennsylvania one of the best schools there is wow you know you just like to go to school huh?

Jonathan Hung

It's so funny you bring that up and I kind of messed it up I was just trying to go for three letter acronyms right? You went to LSU and MIT that you Penn screwed it up No one asked you like oh, like you know some of my dad's friends like man you sure love school? And I'm like, Well listen, if I was going to be a lawyer, I got to go to law school if I want to be a doctor got to go to you know med school. And like there's no one way of being a venture capitalist either it's like listen, you got money, or you don't or you're going to work yourself wake yourself up right and like just because you have money doesn't mean you're a good venture capitalist just means you got a couple extra bullets to shoot your shot. And for me, it's like, you know, each of those institutions are usually space size went to it helped me get better as an investor because I know that I'm not the smartest guy in the room, but I know where they are. And I like to make sure that you know, this is the room I want to be in. I mean, if like I'm the smartest guy in the room, I got to get the hell out of that room. Because it's not enough I need other people who are better at you know, due diligence or financial modeling or like product development or marketing to help get me whether it's a consumer product or enterprise product or a SAS play, you know, to the finish line, you know, whether that's an exit or you know, an IPO.

Mike Stohler

Yeah, so let's start How did you get involved you know a little bit about your background, how did you get involved in angel investing?

Jonathan Hung

Sure, sure. For me it started back in 2012 I came back home to run my family's clothing contract manufacturing business called barrage unite overseas textile Corporation. So within that company you know I was able to do everything from importing and exporting of clothing made in China whether it's to some of our customers like Amazon Costco brunico factory so it was a great learning experience for me, it was it was my father's company you know, and I was able to help unfortunately got sick at the time so I had to take over the business but at the same time like I before then I was a financial adviser and so I was able to trade public equity stocks and bonds etc. And I was just so curious about just investing as as you know, a venture capitalists are like really early stage and so you know, heard something about silicon beach. You know, I'm from Los Angeles and I said, let me go dig in. And, you know, for better or for worse, like my first investment I ever made was a company called gift GYF T and that exit in 10 months, that's really pretty good. Pretty good. You know, two and a half x multiple and 10 moslem like, Oh, this is easy. But it's not that easy. And I've lost a lot, a lot more money, but I made more along the way. And it's been a great adventure since then.

Mike Stohler

Yeah. Fantastic. Fantastic. So you know, let's dig into what Explain to our listeners exactly what some of this stuff is, you know, we've talked about venture partnerships, angel investing, there might be some of our listeners that are thinking about, Hey, you know, I always wanted to start this or get into, into my own business. And in some situations, you can do a syndication, you can do a fund, you can do these types of things. But angel investing, you know, I've heard some things about I've had some angel investing some funds and venture partners come and want to do some hotels with me. And you know, I've been has it because maybe I didn't quite know exactly what it was I was getting into, you know, how much power they would want how much control? So tell me a little bit about angel investing?

Jonathan Hung

Well, for me, angel investing is totally different than being a venture capitalist, right? Like, um, I would say, it requires a different type of skill set. Because you know, for running a venture fund, you have to be good at raising money from other people, right? It's called OPM other people's money. And of course, you put like a little bit of your commitment into it. But really, it's a process and there's, there's investment memos, you do ride diligence packages, you need to make like, you know, it's a three year cycle of investing. And you have to make sure that these are the best things you can invest in this three year time period. Whereas angel investing, I think it's so much more relaxed, and it's your expertise, what you'd like to do with your money, you get to make the decision, you don't have to talk to anybody else, you make the call. Perfect example. I had a company called Bear Flag robotics, and it got bought actually 13 days ago. Today is a 17th. So I got bought August 4.

And so I because I'm one of those schools, I went to Wharton, you know, I got to meet a god. I mean, Gino Cafiero, you know, and he had an idea about automation, when it comes to farming, and tractors. And you know, he was raising a three and a half million dollar valuation. I knew him from business school, I knew his character. I knew where his family his background was, you know, he worked at Cisco forever, we're just talking about, you know, that company. And really, he had nothing at the time. He just knew you had to believe in him as a person, you believe in an individual because like, if it was for a venture fund, there's no way you would have put money at that time. Because he didn't have product market fit. He didn't have an MVP setup he didn't have like, you know, wasn't a roboticist. You know, he went to Carnegie Mellon, a warden, but that didn't mean that he was qualified to understand what farming was or what automation was. But you knew if you knew him as an individual, like, that's the bet I made on him. So I wrote a \$25,000 check as an angel, right? So angel investors, like you can write a 25,000 \$10,000 all the way up to \$100,000 check. We're a venture capital, your writing a little bigger, like, you know, my venture checks anywhere from 50 at the really low end, to up to a million dollars. So that takes a lot more diligence, you know, an angel investor, you're you're taking more chances, you know, at a higher risk, higher reward. So funny enough Bear Flag robotics, you know, got bought, like 13 days ago by john deere, you know, 450 million. So I got in a three and a half, pretty, pretty decent, right? But a fun adventure, VC would not have done it, maybe they would have done it. Like when Gino did a seed and a series A when you had something, a definite more product market fit and more

customers, more tech, and a bigger team than just himself. But angel investing to me is always about, well, it's my money and you're willing to take a chance really super early versus like, you know, where a fund, you just have to have really true conviction of why you made that investment at that given point in time.

Mike Stohler

Yeah, and, you know, for someone that's looking at approaching either Venture Partners, syndicators, or angel investing, you know, the paperwork, you also have to look at, oh, yeah, looking for an angel investors a lot cheaper than spending 25 30 \$35,000 on the attorneys to drop all the paperwork for your VP or limited partnership, your syndication, or whatever it is. So it's probably a lot easier for people to get to ask for. Angel investors.

Jonathan Hung

Definitely, so it is so much easier, you know, than going through a fund, it's all you know, and like, you know, and also like, but I don't mind paying fees, you know, like if we're all making money together, I don't mind paying for other people, you know, because it's just, you got to make money, you spend money to make money. That's how I always viewed it. As you know, I made an investment recently where I got to SpaceX, and I'm paying a pretty hefty carrying cost of 25%. And you know what, but I couldn't get in the deal any other way. If you're a big believer in space, not just going to the moon, but like, you know, SpaceX is space transportation, this is going to be the Ford for space, you know, hey, this is gonna be coming. That's really going to be a lot of around for a very long time so even though it's a liquid you know you don't know what the law is gonna you know do you know but you if you believe in that sector you make that bet and you just set it and forget it

Mike Stohler

How can people find angel investors?

Jonathan Hung

You know it's really like I would say angel investors you don't just like wake up one day like hey I'm a doctor I'm a lawyer I'm in like I work at like a Google or Facebook I have all this extra money You know, I see like he finds syndicate groups you know, like I'm a member of tech coast angels right and really like my mistake and my luck in the beginning was like, Yeah, I made great money on my first investment. But that was just pure luck and chance you know, I didn't have a process and have the right people because, you know, the fifth investment I ever saw, because I always remember it because I turned it down. It was a it was a gaming company where you pretend to buy and sell stock, and you get a score every week. And I was like, Who's gonna play this game? And I didn't understand like, why is it worth \$20 million? It seems a little pricey you know, I didn't

know enough people but I got sent to it from a friend of mine who worked at Goldman Sachs he was a managing director there and I just didn't I just didn't seem like it was like plants versus zombies or you know, it wasn't it wasn't where's the pigs and the birds right where were the Angry Birds I don't get it like I get to come back. And I wish I knew that they were selling the data you know, they were selling the data from the free trades that you were making because you didn't actually buy anything.

What you got was you were just it was just pretending to buy and sell stock and I was thinking why is this company called Robin Hood? And I turned on Robin Hood at \$20 million and it wasn't that my deal flow was there I knew plenty of people right but I wish I had a network and that's what I started doing building since 2012 my network of you know being an LP in over 25 different funds or you know working with all these great people and having really like once you have great entrepreneurs you go to them and talk to them about it I wish I had that then I wish I had the I had the partners now than I did then because maybe I would have wrote that check that 25,000 and it probably be worth like 30 40 million now because you know if you look at Robin Hood just went public couple weeks ago and you know it's a 30 40 billion right now in market cap but you know what you do this long enough Hey, you're gonna have those you're gonna have an anti-portfolio and that's okay because you have to find the right group whether it's like an alumni ventures group or you work with other people went to school with or you know these Angel networks within your own city you're going to find people who are like minded in the sense that you know, you want to help strike to a goal together because I'm gonna ask different diligence questions and someone else and I was like wow, I didn't even think of it like that. And now like I basically stolen bits and pieces what I'm telling you right now from other people

Mike Stohler

Yeah, what are some of the due diligence questions that you would ask you know, for if I'm sure there's a lot of our listeners right now thinking wow, okay, I've got an extra 25 50,000 maybe I want to do this, but they've never done it. So what are some of the questions people should be asking? Because there's a lot of ideas that sound great. Yep. Right, but they may be just smoke and mirrors.

Jonathan Hung

Yeah, I look at four key things when I look at a company whether I want to continue diligence further and bring in other people I'm number one for me as a team. I mean it's so important looking at who the team is whether they have experience in that sector or or they have the right educational background, or you know, they just have the right network of people to help them It really is so important when it's early stage investing because like when I look at investments, anything under 20 million to me is series A and right it's series A and above Series B and above you know what those are more professional those are more like listen those are like hedge fund managers private equity people growth investors, and it's different because they have product market fit your JC adding fuel to the fire. When it's really truly early. I got to look at the team first because it's not about the idea. I mean, I turned out Robin Hood and I shouldn't have turned out

Robin Hood because I thought the idea wasn't great but the team look look at the two guys that are still running it to this day they're still there. That means they have True Grit that they're relentless. So you got to look at them because listen they had I just remember they had something that failed initially, but they're still working and figured it out that's so important like it's never always someone who just like oh hey, they're Mark Zuckerberg and they figured it out the first time around you know, you know and you just really need to see the team and who they are number two I look at the idea right i mean look it is it is something where it's like Hey, is it some sort of code that makes sense that I don't know about other changing the game whether it's an enterprise play or direct consumer play there's something different that you don't see in the marketplace? Like just like we talked about Bear Flag robotics like it makes sense automatic you know, tractors that makes sense people don't want to farm don't want to be in the sun look I'm a little sunburned you can't see but I understand right now like Yeah, why would I be out there all day? It makes perfect sense. But you know, it doesn't mean that they can't do it like my first one of my like investments I made early on was also a company called Neato robotics and literally like nice is raising a \$350 million valuation now but at the time, it was just for roboticist from Caltech saying, we want to make a robot that makes hamburgers.

That's it. That's it. That was that was the pitch. And I'm like, Okay, let's let's look into that more. So is the idea that I focused on because it made sense. Like, you know, no one's dream is to work at McDonald's for 20 plus years, that makes no sense. It's a good first time job. But it's not like the last job you ever got to do. So maybe we can make that more efficient, better. And Misa has done a tremendous job, since, you know, coming from a concept into actually having the robots to do it. Then three and four are kind of interrelated. You look at the revenue for growth, and the customer growth, because sometimes, a company could have so many users, but they're not making any money, which is totally fine. Because look at LinkedIn, LinkedIn grew every year, year over year for a tremendous amount of time when Reed Hoffman started, but they didn't they weren't making money, like it was free to sign up. But just like, wow, the potential of growing to so much scaling. So quick. People ask you, what's your daily active users? Are your monthly active users? Because the question is, you know, there's people who are going to churn. But if you have such a huge data pool of people, like you're going to find a way to figure out some way of monetizing, and then you look at revenue, as same time as three or fourth revenue growth and customer growth, revenue growth to me doesn't mean like you're making a million dollars, monthly recurring revenue, it's really you're growing week to week, day to day and you see that trajectory where you're going to get to that hockey stick, and then take off, like, because when you're really early, you're not going to get into the millions of meals, I sometimes see projections, I'm like, I don't care about your five year projections, or your three or four years, because they make no sense you're going to be pivoting, like I just want to see how you get from zero to 100,000. And then from 100,000 to 1,000,004 million to 10 million, because that's your trajectory, I'm going to see, that makes sense. I'd like oh, that's how you grow, that you're actually coming up with a business model that makes sense. So that's what I would always look for those four criterias when evaluate a company who will start.

Mike Stohler

Yeah, that's great information. I'm taking notes also, because, you know, it's, I've put some money into some startups and things like that, and, you know, people that I knew, and they had successful companies. So I knew that was a pretty good chance. For me, you know, to be successful, but, you know, when you don't know the person, you know, these, those types of questions are really strategic. Now, let's talk a little bit about the venture partner said, you know, you're you're a co managing partner, unicorn, the new partners, yes, and senior venture partner. Now, if I, if I get this right, unicorn, no, that was expert, dojos International unicorn is US based or is it just, you know, what is unicorn?

Jonathan Hung

So unicorn is basically a seed pre seed seed and series, a venture fund, that three partners came together three family offices, we don't have outside capital, so it's only our own money that we're investing in, we try it. So it makes it a little easier, in terms of like, you know, making decisions. And we don't have to be like, Oh, we have to do this in a certain amount of time. And we have to worry about raising and that's money. So for us, we don't have necessarily a geographic location that we focus on. But most of our companies are US based, we will look outside the US, but it really just depends how, how safe and how strong we feel the company is in another jurisdiction, most of our investments are here, either in LA or Silicon Valley, or even Texas. But you know, the difference for us is that you know, with with something like expert dojo let's it's really we're an accelerator, we're an international accelerator. So Well, I've been on calls where we look in Egypt, or we talk to somebody in India or someone in, in, in Nigeria or Sweden, it's like we're trying to find the best companies around the world because we're we're taking really, truly early bets at a really low valuation to make that same that they can be someone something amazingly great, and help them build to that point where then a unicorn can come in and invest, like unicorn Venture Partners, is not going to invest in a company that expert dojo does, even though we have done that is the same time but it's very rare, because we just need more time for a company to get mature enough to get the seed money that they need to grow.

Mike Stohler

So you know, with unicorn, if someone had an idea, or they've, they have some investors and they they need that next second series or that, that second raise, you know, to truly grow. You know, they're kind of they're stagnant and they've, they've gotten to the point where everything's going but they really need that extra 5 million, that extra that little Push, would they be looking more of an angel side or venture side?

Jonathan Hung

Honestly, it would probably more be more of an angel side, because I think like when when an angel side or proceed, so like, Listen, you're probably trying to raise like, you know 250 to 500,000

initially, to get your idea off the ground, you know, to go from there, when you're coming to a venture fund, like unicorn, you know, you're raising in the millions more more so and that you have something where you have some sort of product market fit, you know, where you want to put the money, whether it's in technology, or hiring the right team members to get to more scale, right? Like, really, you're just trying to prove out that you the first half a million dollars, that you have an idea that makes sense that there is some traction, and then from that traction, you could raise more money to get to revenue.

Mike Stohler

Okay. Yeah, that makes sense. It's, you know, there's just all these different ways of doing thing. And now there's all this crowdfunding and crowd sharing. Yeah. And it when someone is starting out, it's, you know, what do I do? How do I do it? And you have to have, I always talk about the team, you always need a mentor, you need someone. So you don't make the mistakes. That you know, we did when we first started out. And it's, it's fascinating. Now, when you talk about fund raising, yeah. Talk to him a little bit about how you concentrate, or even help people. When you find a company. What do you talk to about, Hey, you know, this is what we're going to do some fund raising, or these are the things that you need, that I, I have a company, these are the questions that I better have in order to talk to Jonathan Hung. Yeah, so that I don't get turned down.

Jonathan Hung

Yeah, definitely. So because listen, like you, nobody writes the entire round. You know, like nobody funds everything. You know, you want to find great partners, angel investors or other funds. So for me as a fun, listen, I get pitched a lot from other funds, and I'm an LPN or just I've co invested with and because you know, you're either writing half a mil you know, half a million dollars to a million, but that that's leading for series seed round, so there are opportunities for to bring in extra help or maybe like hey, we're better consumers products, right. And so we should come in and help help with our expertise and our network of not just money but network of influencers network of marketing people network of distributors that can help a company. Like, I think that's so much more more important than just oh, I'm trying to get as much of the round as I can. Like, it really is. For me, it's like the pizza problem. And you see that with what Elan musk did with his superchargers it's like now it's like you don't just have to have a Tesla to go use a Tesla supercharger anybody with you know, electric vehicle can use it now. And that's great because you want to grow the pie bigger, not just a cut off a portion of the pizza for yourself, you want to make the pie bigger so that eventually the whatever share per share of the market you own it's just going to be bigger because everyone's involved.



Mike Stohler

Yeah, and the only bad thing about that is when I go to a supercharger bank, they're all they're busier now. And I think they're gonna get even busier when other type of cars are coming. So I think he needs to build some more supercharging banks, you know, so but now I wanted to ask you a question about the, within your angel investing or your funding to talk about either one, what kind of control do you have? Or are you do you take like a board member? Or do you what kind of control do you have? If you say you give a company a million dollars are you just passive?

Jonathan Hung Usually we're not right because it's it's for us it's a core if we're writing a million dollar check it's a core investment for us. So we're leaning to term sheets right? So on the term sheet depending what we're looking for, you know, whether we're the investment vehicle is we're looking to take a board seat right we want to be involved but it's not like I want like 20 board seats cuz you know, I only have so much time in the day as well but you basically guiding and helping a company out like I usually like to take in the beginning whether it's a pre seed or Seed Company, I like to take you know, annual monthly calls, you know, and check in and then gets a quarterly calls right for the board meetings and to make sure that you're on track, you're on pace because listen, if you're you're a venture fund that has outside money and limited partners, listen, that's important because you can't be passive like if one of my LPs If I raise a fund ask me like, well, how's that investment doing? And I have no idea that makes me look bad. I mean, I need to know what the problem is for a company before you, before we even get to the board meeting. That's the most important thing cuz I tell people that I'm supposed to be in case of emergency contact, you know, when you fill out that form of the doctor's office, who you putting down, hopefully it's your significant other family relative, right? But when it comes to business, like I have to be that person for you. Because it's not because I own a lot of the business is more because like, hey, I've been through this before, I can tell you how we can make changes that make sense, before issues come up or get bigger.

Mike Stohler

Yeah. Do you get any pushback from, you know, some of these entrepreneurs, this is their baby. And they're like, Well, wait a minute, you know, Jonathan, what do you know about me? So you know, robotics and things like that? Now you want to, you know, you get pushback?

Jonathan Hung

You do? Of course you do. But you know what the idea is that not all money is good money at the same time. Like, listen, like, if we got to a stage where I'm your lead investor, it's like, it's not because you just took it just because of money, right? Because you like who I am, and who how we work together. So it wouldn't be that big of an issue. Because, for me, my job is once once I always saw this analogy, like, my job is to get you through high school, like to get to your series A and then from there on, you're off to college. And you're that's

another set of professors, right? Another set of advisors to get you through, hopefully you graduate, you know, like, you know, your IP or get bought, which is great. So for me, it's like I take, it's good to be able to take criticism, as much as you take praise, you know, and that's, that's so important. Because Listen, I'm not investing to be your best friend, I'm investing to help you get to the next stage. Like, it's not like when you have coaches, like, it's like, oh, they just give you all this praise, and you never improved, you know, like, you have to point out what the weaknesses and where where we can improve to get to the next goal. I mean, that's just so much more, because why hire a coach, you don't just hire a coach, they tell you, you're great. And you don't get drafted?

Mike Stohler

That's right. Yeah, you know, that's, that's very good. You know, it's, I always wondered, with angel investing in the funds. You know, I had one there wanting to get by, for instance, you know, three hotels, they wanted me to manage me do all the work, and then you know, they're gonna put in, you know, 80% me 20%, but then they are, in turn, only going to give me a certain percentage of the profits. Right? And I was like, Huh, you know, it? So is that kind of how it works? Or do you just let it kind of let it ride? Or do you sit there and say, hey, look, yeah, it's almost like Shark Tank, right? For X amount of money will buy in this percentage of the company. And then, but in return, we only give you x amount, because we're basically going to take control.

Jonathan Hung

Well, no, you know, I always shark tanks, a great show. I love that show. You know, we've actually I've actually had companies that have invested and been on the show, and they turned down the deal, right? It's actually sometimes it's great exposure. And a lot of times you don't even like they agree on the show off for TV, but it doesn't, it's not reality, you know, it's not actual deal. It's like, I always think it's Gee, I wish I could go to Shark Tank deal get like, you know, half the company for like, 250k like, geez, it's really not that great of a company, if it's really that low in valuation, you know, I could get half the company for under like a million bucks. But from my perspective, is you have to be fair, you understand where we are in the marketplace, like look, certain deals, you get out Silicon Valley, they're gonna have a Silicon Valley, like halo effect, and a pricing for that. And it's other people competing for the deal. La, New York, other second darier tertiary markets, that's it, you're gonna get a better, better, you know, valuation than you would in Silicon Valley. But once again, it's about the team. Like if it's such a solid team, like, what's the difference between investing at 5 million versus 10 million, because you're gonna get to that goal of like, you know, \$100 million company or a billion dollar company. So it that's not the big issue.

The issue when it comes to tech was like, you're just not certain, you know, and you're not certain of this team. This is the right team to get you through there. So that's why you you ask for a lower valuation because nothing's proven out. Like, listen, if Elon Musk wants to raise money for next company, he's gonna get whatever valuation he wants, right? Because he's proven he's been there. He's done it before and time and time again. But if you're just somebody who's just starting out, listen, you're going to have to come a little lower. And especially if there's a lot of competitors

in your space, whether it's like, especially when it comes to CPG and consumer goods, you know, you have to look at the comps. Because if I start like, a Candy Company was zero sugar, or another soda company was zero sugar, whatever, like, Listen, there's a lot of people in that field, like, you're gonna have to raise a lot more money. Then you get to compete with Coca Cola, and Pepsi, who are the Mainstays right now. So it really just depends on each situation. But my Like, I don't get like shocked right away, because listen, it's a learning experience to first time entrepreneurs, they're gonna learn to like sometimes when I'm working with someone who's like, you know, failed or had successes, they understand how it works, and they're more reasonable to negotiate out. And sometimes Listen, if they listen, you can't agree on every single deal. And that's why, you know, what's great is that you work it out, if it doesn't work out, that's okay. And sometimes I tell people, that's really important. I never say no to anybody. If that makes no sense, like, like I said, No to SpaceX, for example, when it was at like, 60 billion valuation, because I just didn't see it now. Like, I got in at around 90 billion valuation. And I'm thinking, well, I get it. No, I see it now. starlink I see it just like in the stock market, just because you didn't invest in Apple at 150 or 100 \$100. doesn't mean you can't get in at 120 because now it's at 150 like there's still times you can still get back into a market where you make it's make sense it's like I'm just passing at the current numbers and what I believe are the right where I'm where my comfortability is, like, it doesn't mean I can't come back in later on and write a check.

Mike Stohler

Yeah, and, you know, I see a part of your portfolio, how you're taking some risks, where there are some bigger names, first of all, like Chow now. Yes. You know, to me, you know, just kind of looking at this and we're just talking like, Well, you know, there's some big dogs out there. Yep. You know, what made you do want to invest in something like Chow now.

Jonathan Hung

It was the funniest thing I talking about, like, full circle. We're how we started this podcast, and we're not doing this Listen, this unscripted everyone, Michael's not sending me a but like, so I talked about that first company, I made gifts, right, right, g g y f t, mobile gift cards. That was the idea cloud. And this is before Apple Pay Samsung Pay whatever, like, before gift came out, it was just like the physical gift card space was 95% of the market, you actually had to have the gift card to use it. Now it's like, you could just send gift cards, right? Or send money in the cloud, and it's just stored here. So if you lose the card, you just lose the card. That's totally fine. Get Starbucks, you just use your mobile phone to pay, right? So I exited that company to first data in 10 months. And I had like two and a half multiples. And I'm like, Oh, well, I don't want to pay short term capital gains tax, either roll it over into a company. So I looked at the what was available. And I was presented with Chow now. I believe it was their raising at a \$40 million valuation at the time. And I saw their deck. And I remember something so interesting from it, there was a quote from Patrick Doyle, who was at the time the CEO of Domino's Pizza. And just looking at it, it was just saying, like how mom and pop restaurants couldn't compete against McDonald's or Domino's, even though like you know, you have a great like, Italian restaurant who makes great pizza, you

know, and you're, you're so much better tasting than a dominoes. dominoes kills you on pricing and kills attack, because you can order online. I mean, Domino's doesn't even own their franchisees, right, it's all franchised out and so it's a huge supply chain of getting the dough, the ingredients, the marinara sauce out there. So it's like for them they were saying, Listen, our online mobile ordering is so much better than any other local markets like we're gonna kill it that way. These mom and pops have no chance. Here comes child now saying, well, we're gonna help mom and pop restaurants out, we're gonna get them to 21st century and for their put their menus online for them to have an ordering platform. Because like, Listen, if you're, you're a couple of pizza chains doesn't mean you have the money to get to spend in tech. It's probably more into marketing. But here's a company for for software as a service, you pay us, hey, we'll get you your menu online, and you can find more people that way door. And that makes perfect sense to me. And I invested my entire amount from gift into that. And, and so it's worked out, you know, right now, I can't disclose the numbers. But definitely Chan now is definitely worth more than 40 million we put in at, you know, it's a great success story, because it said something where it's just like, Listen, most of the companies aren't about just enterprise, you're not just going against Walmart all the time. America and most of the world is built on small and medium enterprises. And if you can help find a way to help them improve their business margins. They're gonna use your software, you don't and they're just more clients versus where all you got to get you know, the fortune 500 to install your app. No, you don't.

Mike Stohler

Yeah. Well, it's it's been fascinating. Jonathan, you know, we appreciate you coming on. How can people find you if they have any other questions, if they want to kind of like, follow how you're doing some things? Can people reach you on social media?

Jonathan Hung

Sure. On my website is [Jonathanhung.com](http://Jonathanhung.com) You can send in emails there or just connect with me on LinkedIn. It's Jonathan Hong. Um, yeah, those are the best ways of finding me and I do a lot of video podcasts and blogs and if anybody wants some free advice, hey, come take a look.

Mike Stohler

Well, I'm sure there's a lot of people that will love this episode, and definitely take you up on that. So thank you, sir. I appreciate everything. Done. Thanks for coming.

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