

Reagan Rodriguez of WORTHYdomes

Hall T Martin: [00:00:04] This is the Investor Connect Podcast Program, I'm Hall T Martin. I'm the host of the show in which we interview angel investors, venture capital, family offices, private equity, and many other investors for early-stage and growth companies. I hope you enjoy this episode.

Hall T Martin: [00:00:23] Well hello, this is Hall Martin with Investor Connect. Today I'm here with Reagan Rodriguez, Founder and Chief Volunteer Officer at WORTHYDomes. WORTHYDomes designs manufactured, sustainable, long-term dome structures, providing near-immediate housing relief in hard-hit areas. The domes are easy-to-assemble dwellings that can be erected in one hour by a team of two unskilled laborers allowing for entire communities to restabilize speedily after disaster housing crises. Thoughtfully positioned at the intersection of disaster relief and affordable housing, WORTHYdomes comes alongside impoverished communities after natural disasters and war decimate both their landscapes and economies. The WORTHYdomes system provides off-the-grid housing where utilities may have been interrupted. The proprietary structural design and building materials feature high-wind stability, bulletproof walls, solar panels, and water filtration through reverse osmosis, ensuring drinking water is 99% clean. Reagan, thank you for joining us.

Reagan Rodriguez : [00:01:17] Oh, you're quite welcome.

Hall T Martin: [00:01:19] Well, great. So, what was your background before joining WORTHYdomes? What did you do before this?

Reagan Rodriguez : [00:01:25] Well, it all kind of started as a result, I was in merger and acquisitions - and when I say that, don't be too impressed, I did it more on the small end and my niche was specifically dental and medical. So when that dentist was ready for retirement, we would work on that exit strategy, the same thing with that doctor. And that's how all of this got started, Hall is that I, one day had this idea and that idea was I had several doctors that had already retired and they were bored, and so the idea was we would do these mission trips and I chose to pick Honduras - and it's interesting that right now they're going through a hurricane - and the idea was that it would be good PR for me, that was my plan. And one of the things I noticed is a lot of doctors want to

volunteer in places like Honduras because they think, oh, it's adventurous, plus it looks good, we can get pictures taken, then my patients can see it. And so, that was my plan as well, was that then those doctors would tell others and they'd say, "Oh, this is a good guy, this is what he does." And then about 15 years ago, I went to Honduras, I brought a team of doctors with me and during that time somebody had set up a meeting with one of the wealthiest people in the country of Honduras and he wanted to meet me because I had this plan, right, this great plan on how we would have medical practices all over and I'd make it into kind of like a franchising concept and I wanted to raise capital. And so, before I went to this big meeting to meet this very wealthy investor, I, of course, wore my nicest suit and then I realized when I was waiting at the lobby of the hotel that they were going to pick me up, that my shoes needed to be shined. And so, there was a shoeshine place there and there was a little boy that was there shining shoes and right as he's done, and just a few minutes before someone's about to pick me up, I looked in my pocket and realized all I had was a \$100 bill. And I kept thinking, what do I do? He probably couldn't even break that kind of change. What do I do? And at that moment I just, I felt like God was speaking to me and saying, "Give him the \$100." And I know you're thinking, "How did I know it was God?" Well, it wouldn't be me talking! I wasn't going to give \$100. So I kept going back and forth, kind of like, Hall if you've ever been in that situation where a homeless person asks you for money and you think, should I? Are they just going to use it for booze? So I reluctantly kind of gave the kid the \$100, he puts it in his pocket, and then I had to head out. And then, about three days later they had some kind of church service on a Sunday and they invited me and it was something I had never really experienced before. There were kids that were running through the hallways with, you know, those things with the blow bubble kind of things where you go like this and, well, they were doing that and you just saw bubbles everywhere, and you saw people singing in different languages, and different colors - meaning different colors of people - and we were all just one where we weren't judging each other different. There were doctors there and then there were people there that were very poor. And then during that time, they were passing the plate and I looked and about three rows ahead of me, in front of me was that same boy that shined my shoes, and when the plate got to him, he reaches in his pocket and of course, Hall, I'm staring at this kid like a hawk and he pulled out the same \$100 bill I gave him and he threw it in the plate, and at that point it just completely changed my thinking. I realized we in America view money much differently. And so, from there, I was, I guess, kind of hooked on a good thing and I refer to that good thing as generosity. So from there, it evolved into this

invention of mine with, I do them as a dome structure specifically because of the aerodynamics, the wind will go over. Sorry, I'm a little emotional on that, so that's how we got started.

Hall T Martin: [00:06:17] Well, that's an amazing story and you've been doing this business for some time and working with investors and turning it into an ongoing business, what's your advice for people investing in this space? What do you tell them about this area from their point of view?

Reagan Rodriguez : [00:06:32] I would say, what are your natural talents? What are your gifts? Because I obviously want them to get involved, not just invest money. And the reason why I say, "What are your gifts? What are your skills?", there is a young woman, I'm actually going to be talking to an elderly woman, I should say, but she's young at heart, and I'm going to be talking to her at about five, I think it is, six o'clock I've got a Zoom with her, and she's always wanted to get involved in this, but she doesn't have a lot of money. Well, what she does is, this woman is in her late 60s and she works part-time with this company that they have, they're in Dallas, actually - I know you guys are in Texas - and they do mobile home parks throughout Texas and they are wanting to build a community of 250 mobile homes. And this woman, her name is Toby, she said, "Whoa, whoa, whoa, hold on. Before you do that, wouldn't you rather have something that's a little bit more sustainable?" In other words, the way mobile homes are after ten years, they're not worth anything and high winds could impact them, and these folks do not sell mobile homes, they buy them and then rent them out. So what they want to do is build a 250 community of mobile homes. So, our profit on a - and they need to be at least 1,500 square feet because that way they can get a mortgage for them. So, in order for me to build a 1,500 square-foot dome, our profit, the company's profit would be about \$30,000. So if you do the math, 250 x \$30,000, I think that number is close to \$7,500,000. So that would be my advice. Could there be synergies within your business, your background, your skills that we can bring into this? Because, yes, I like going after disaster relief and there's also another opportunity with multi-unit apartments, with minimalists, communities like that.

Hall T Martin: [00:09:02] So, where do you think this industry is going? How do you think it's going to evolve given the financial requirements and those types of things? What's your take?

Reagan Rodriguez : [00:09:12] I think what we've been seeing is that there is more and more natural disasters that are taking place, and if I just was to ask you, Hall, just from everything, just common sense and what we've been learning about, why do you think Hall, that there are more natural disasters that have been taking place and more hurricanes than ever?

Hall T Martin: [00:09:38] A lot of people put it on climate change. The planet's heating up and we're getting a lot more unstable conditions and severe weather events and it appears to be continuing.

Reagan Rodriguez : [00:09:49] Yeah, so our structures have ongoing benefits for the environment. In other words, each dome that we recycle is approximately 15 bottles per square foot, bottles of water, right? So, that 1,000 square-foot dome that we're going to build is recycling 15,000 bottles of water over time.

Hall T Martin: [00:10:13] So, over time, you think the industry is going to shift to be more climate-change relevant? You know, harder materials, longer-lasting, can sustain higher winds, that type of thing?

Reagan Rodriguez : [00:10:27] Yeah, one of the questions I get is how long will they last? And I say, "Well, remember, they're plastic, that's why plastic is bad for the environment, they're going to last longer than the home you and I live in."

Hall T Martin: [00:10:39] And how fast is the sector growing? What's going into it?

Reagan Rodriguez : [00:10:44] I was a minimalist before it was popular to be one, my wife and I. We each only own pair of shoes - one pair of tennis shoes, let me be clear on that - one pair of dress shoes, we still have nice clothes, but it's just not that much. I own two, maybe three like this button-down shirt, I own maybe two t-shirts. So, we're noticing that there are more and more people that are minimalist. I think that even that baby-boomer generation is now wanting to maybe have something that is smaller and maybe just a one or two-bedroom kind of the dome. So, that's where I think we're going.

Hall T Martin: [00:11:24] And how many other companies you think are going in that direction and joining in one way or another?

Reagan Rodriguez : [00:11:31] Sure. It's not so much companies, what I notice is individuals, people. Let me just share this kind of going off-topic, but kind of on-topic, just remind me. When I witnessed the damage and the families that were without shelter when I was in Puerto Rico in 2017 - I think it was that Hurricane Maria and then Irma was the one that hit in Florida - I experienced this significant emotional event that drove me to perfect our domes and then from there pursue a FEMA contract for the disaster relief. I think you also know, as I've shared with you, we also built a medical clinic there. Last year, I was informed by the medical director that since then we've had 3,000 live births in that clinic. I hope that kind of answered the question of where we're going. Help me out here, what was the question again?

Hall T Martin: [00:12:36] Well, how many companies are engaging in it, and how many people are going in it, and how is this trend increasing? Certainly, climate change is galvanizing a lot of people to go in that direction and put in things and tools that are going to accommodate climate change in the world and putting in sustainability systems and so forth to weather it, and it's just not clear to me how much traction we're getting out there. Is it growing by 5% a year, or 10% a year? And just, wanted your perspective as to how fast you think this thing is taking off and how much momentum you see it gaining out there.

Reagan Rodriguez : [00:13:17] Thank you for reminding me, that's why I kind of went off on that tangent with the FEMA contract. One of my challenges is just fulfilling the orders. I have a little over \$10 million in purchase orders and letters of intent, I just don't have the money to fulfill those orders and get them shipped. So, I can't give you an exact number percentage-wise, what I can give you is an exact number of how many purchase orders we have and the money I need to then fulfill those orders.

Hall T Martin: [00:13:54] So, you have more business than you can actually build at this point? So it sounds like it is taking off in a big way. And so, that was my next question. What are the challenges in the space? It sounds like keeping up with the orders is one of them, what else do you find is a challenge for you?

Reagan Rodriguez : [00:14:09] There are two kinds of oars to the business. There's the disaster relief and they are the people that want these domes for themselves. Some of them might have them for their backyard now that this pandemic is taking place. There are more people that are living in that home that they were at or maybe their children that were in college have now had to move back in. So, they've got more people that are living in the home, they do Zooms like this, and mom might be in the background cooking. So, if you have enough space to put that into your backyard, then that isn't a challenge. But the challenge is, you may get people that say, "I like this idea, I'd love to have this dome", but what they don't have is the money to then buy the land. So, that's the challenge, that's why another way that I'm raising capital is also to buy land to build these communities, and then people will either pay rent or we could sell it off as lots.

Hall T Martin: [00:15:16] And so how does WORTHYdomes fit into that landscape you described? It sounds like it fits in a lot of places, but I'd love to hear where you see it fits.

Reagan Rodriguez : [00:15:25] Sure. There is a community in Georgia and they're called Serenbe - you may want to look it up S-E-R-E-N-B-E, like serenity, but that they call it Serenbe, similar to the song from the Beatles and, I'm not going to try and sing it, Let it be, let it be - so if you just go to their website Serenbe.com, you'll see what they put together. The challenge is if you click where it says "Real Estate", the homes are about \$450 a square foot. I am currently, this place that I'm at right now is in Serenbe, my wife and I rented a place there part-time here just for a few months and I am here to get ideas. As a matter of fact, this Saturday we have dinner with not the owner but his wife, my wife has made friends with her and we've had dinner with her a few times. She likes my concept. Of course, the owner thinks his idea is, if you go to their website, they're more kind of luxury homes. So, I'm getting a lot of ideas by being here in Serenbe and talking to the community. I spoke with, I've talked with Steve, the owner, quite a bit, we've just made better friends with his wife and I have learned enough - I don't want to sound too arrogant - I'm learning on how to put together a community like this. So, that's what I'm wanting to do, is build a community of minimalists, a community, a WORTHYdomes community. I think that Puerto Rico is a good area, we're also looking at Florida. There is somebody else that has land south of where you're at. If you're familiar with where McAllen, Texas is over in the valley, he has quite a bit of land

and we're going to be discussing that. I have a call with him, I think that's scheduled tomorrow if not Thursday.

Hall T Martin: [00:17:22] OK. Well, very good. Well, what else should we cover that we haven't?

Reagan Rodriguez : [00:17:26] I want to cover what I've learned when there are these natural disasters, whether it's been hurricanes, earthquakes, whether it's been the wildfires in California. I go in and I get to see what's going on and one of the things that I have learned is that we have sometimes some flawed thinking, flawed as just I think Americans and just not being in that kind of situation. What I've learned Hall was that we, as individuals want the best for ourselves, our families, and those we care about. Somehow we believe, though, that others that we don't know or care about should be satisfied with less than what we would be satisfied with. When I say flawed thinking, it's almost like that, you ever heard of the "five-second drop" relating to food, if you pick it up within five seconds then it's fine? No, no. That five-second rule doesn't apply, right? There's still germs in that piece of _____, right? So, in that same vein, it moves to another level of what I call kind of flawed cognition. If you ever had contact with people when faced with an issue, it is all or nothing, the answer is either black or white, there's nothing in between. When you've experienced where you've lost everything, all of your belongings, if you have that attitude, that will get you nowhere. The other thing I noticed that - I fall into this, too, I'm not perfect, I'm saying I've learned this from people when they've lost everything. But sometimes what we in our cushy homes, we kind of, what I call kind of catastrophic, right, it's the worst thing that's ever happened in the history of all mankind, right? Whenever things aren't going exactly how you want it to, right? You personalize every situation, you think that your needs are the focal point of the universe. If you really take time to think about other people other than yourself, you'd find that all of these feelings do not really manifest. The other thing that I have noticed, I noticed this specifically when I was in Puerto Rico, that reaching conclusions on insufficient kind of data, meaning you don't have all the data, yet you form a conclusion. When I was going after the FEMA contract and talking to other sovereign funds, what I noticed is that it's not really liars Hall that you have to worry about, it's people who may not be right, but there are always certain about it, those are the ones you have to watch out for. In other words, they communicate in such a certain way as if what they said was carved in stone. I am fascinated with the irrational ideas, I think, that are prominent here in

America that impact our behavior. There is an idea that there is a dire necessity. I've learned this when everyone has lost everything, that for an adult human being to be approved and loved by virtually every person in their community. The idea that it is catastrophic whenever things are not, as I mentioned before, going the way they should be, the idea that human unhappiness is externally caused and people have little or no ability to control their sorrows or their disturbance, it's amazing. My wife and I have noticed when someone has lost everything, they don't feel that way. It's kind of like that little kid that shined shoes. His attitude was, I have clean water to drink, maybe, right? I have a roof over my head, I've got something extra, there's probably somebody else that's in need. I want to kind of pull together if I have another few more minutes, a notion of thought on emotion and behavior. The other thing I've noticed when I've worked with these people that have lost everything is that stress is a loss of control, right? Our stress level goes up the moment we feel a loss of control and trauma will change us, so we have to be aware that that will take place, right? Our goal is to really integrate what is going on in our lives, whether it's a pandemic or another curve that life sends our way, and how we're going to function going forward. The positive thing is that I've noticed, whenever there is trauma - you've probably noticed this as well, Hall - resilience is often a common response to trauma. We see people doing acts of heroism, right? We are in the middle of trauma right now - and I don't want to appear dismissive of all the things people are experiencing as in financial crisis, not being able to be with loved ones at the end of life, I know I talked with Lilia about that. She lives with her mom and she said she's very cautious to not be around people where she could spread that virus. So, all of those things are critical. We're not talking about the fact that we are going to wish those things away, OK? We, in terms of managing ourselves, need to look at how we are going to manage our thoughts so that we can manage our lives. The positive I see in what we are all doing through this, what we're going through, is slowing down. We were kind of forced to slow down right now, right Hall? I think you've noticed that as well, but you may slow down yourself if you're listening to this, not because it's imposed by the outside, even if it's just a few minutes to breathe deeply. What I suggest when you get up in the morning is ask yourself, what are you grateful for? That's what I noticed people do when they have lost everything.

Hall T Martin: [00:24:35] It's the time for introspection and time for reflection. So I think you're right, the country is at a crossroads of coming to the next generation and thinking through where we are and where we're going, so, it does have that impact. It does feel

like there's a thoughtful moment here for people to reconsider what's important. You find people spending more time with families because they're at home more and finding that you can still get your work done when you do that as well and that's a revelation as well. So, a lot of great insights come out of that thoughtful introspection.

Reagan Rodriguez : [00:25:07] Anything else?

Hall T Martin: [00:25:09] Well, I think people would want to get back in touch with you. How best for them to contact you?

Reagan Rodriguez : [00:25:15] I would say email is my primary form of communication. So, my first name is spelled just like the former President, R-E-A-G-A-N, reagan@worthydomes.com, all one word.

Hall T Martin: [00:25:29] Great. I'll put that in the show notes. I want to thank you for joining us today and looking forward to seeing how it goes and catching up again with you in the future.

Reagan Rodriguez : [00:25:39] Absolutely. Thank you again for your time.

Hall T Martin: [00:25:42] Thank you.

Reagan Rodriguez : [00:25:43] You're welcome.

Hall T Martin: [00:25:45] Investor Connect helps investors interested in startup funding. In this podcast series, experienced investors share their experience and advice. You can learn more at Investorconnect.org.

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