

## Jaime Moreno de Los Rios of Secfi

**Speaker1:** [00:00:04] This is the Investor Connect podcast program. I'm Hall 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. The Investor Connect is a 501 C three nonprofit dedicated to the education of investors and startups for fund raising. Please consider donating \$100 to the program to help others in their investor and entrepreneur journey. You can find the donate button on the Investor Connect org website.

**Speaker2:** [00:00:38] Hello. This is Hall Martin with Investor Connect. Today we're here with Jaime Moreno de Los Rios, chief operating officer atSecfi Secfi is the first to provide a proprietary suite of equity planning tools, 1 to 1 guidance with licensed equity strategists, and a set of financing products that enables employees to own a stake in the company they helped build. Jaime, thank you for joining us.

**Speaker3:** [00:00:59] Thank you very much for having me.

**Speaker2:** [00:01:01] All right. So where are you calling from today?

**Speaker3:** [00:01:04] I'm in Fort Lauderdale for Florida.

**Speaker2:** [00:01:07] Great. Thanks for joining us. And the topic of recent news here is that Bolt is offering personal recourse loans to help employees exercise their options. It seems like quite a quite a change in strategy out there and quite a new option. What do you think about that?

**Speaker3:** [00:01:23] Well, it's an interesting topic. And it came out from a tweet from the CEO, Ryan the other day where they were saying that they were offering to their own employees. They're not doing it as a as a business out there. But I think it's I think Ryan has good intentions in general, offering this to to employees and to give a bit of perspective on on the issue here. Employees of start ups. When they join, they get offered options. Right? As you well know, no. But the reality is, people sometimes they don't even know how to value those options. And many times when they want to exercise those options in order to own shares, what ends up

happening is that they don't have the cash to do that right. So many employees can't do it. And sometimes they even leave their companies that they that they built after several years. They have to forfeit those options because they can't exercise them or they don't have the cash to do that. So what happened was Ryan said that they were going to offer this to their own employees, offer personal loans. To be able to support that cost. But there are many implications in order to do that.

**Speaker2:** [00:02:48] Well, do you think other companies will follow suit?

**Speaker3:** [00:02:51] I think you need to look at the implications there. I think, again, great intentions companies. They should support employees or help support employees so that they can actually own those shares. But there are ways to do it. And the reality is you need to provide with. You need to provide the employees with the appropriate information in order to make such decisions. Right. And what ends up happening is. Asking people or offering people personal recourse loans. The problem is like it's recourse. So if something goes wrong, the company, for whatever reason, doesn't do well. You still owe money to the company, right. And some people may have may take a loans of hundreds of thousands of dollars, and that can be very negative for a family if things go south.

**Speaker2:** [00:03:55] Right. So there is some risk reward there, just like the options are a risk reward. And of course, when the stock market goes way up and way down in one cycle, that can prove to be problematic, too. So you think this is going to continue?

**Speaker3:** [00:04:09] You mean in terms of the market? Or in terms of the. The trend that Ryan initiated.

**Speaker2:** [00:04:17] In terms of the trend Ryan initiated, do you think others are going to carry this forward?

**Speaker3:** [00:04:21] Because I think yeah, yeah. I think, a, companies are going to try to figure out ways to help their employee. Right. I think there's a major trend in general happening and it's because attracting talent, it's more it's harder. Right. So companies tend to offer. Different packages to to employees. Right. And the want to help employees basically maximize the equity

that they are given. Right. And in order to do that. One way is helping like helping employees own that equity and financing. So companies will find ways to do this. I'm not sure if it's exactly the way, Ryan.

**Speaker2:** [00:05:08] Right. That makes sense. So you help a lot of companies and employees get the maximum value out of their equity. What's the most important lesson you've learned in doing this?

**Speaker3:** [00:05:19] The biggest thing is how important is equity for people, right? A lot of people join companies and they may not realize it, but but the equity that they're given, they may change their lives. Right. Historically used to do you used to have a job. Right. And you used to have more less salary, but you stayed there like that. Was that was your you knew the path that you were having. Right. If you own equity in companies now, what's happening now it's there's there's people out there that will be worth that will become millionaires. Right. So that's something that that has been surprising to me to see how many, at least on paper how many how many millionaires there are.

**Speaker2:** [00:06:11] So there's great misconception about equity out there, and I guess you're educating people on it. What's the one thing you didn't expect when you go talk to people about their equity options?

**Speaker3:** [00:06:23] One thing I didn't expect is that the reality? No one truly understands equity. And like I would say, I think it's more than 95, 95% of people don't truly understand the implications of owning equity in a company in order to like all the different terms, all the different implications in terms of, hey, you want to exercise your equity, you actually need to pay a lot in taxes, right? People don't know these things. And companies. Yeah. One last thing that I would say is companies need should help their employees know this. Right, whether it is themselves or through other parties, like, like five.

**Speaker2:** [00:07:09] Well, great. Well, you've been doing this for some time. What's a common myth about your job and the work that you're doing there?

**Speaker3:** [00:07:17] As a CEO. The common myth is that you do. People say that as a CEO, you're wearing many different hats and you do many different jobs and you do anything and nothing kind of thing. It's a myth, but it's a reality. Right. And the reality is like you can do the CEO role is kind of like someone that is doing many different things. Without specializing in anything.

**Speaker2:** [00:07:47] I see. And so that's that's certainly not the case. It sounds like you have a different perspective there.

**Speaker3:** [00:07:53] No. Well, in my case, I actually I actually do think that I'm more of a generalist as well. So I would say the myth is true in this case.

**Speaker2:** [00:08:04] Well, great. Well, so what online information source do you find most helpful in your work?

**Speaker3:** [00:08:09] Good question. The the one I look at every morning is the newsletter from liquidity. I don't know if you've heard about them or read them is a newsletter. It basically gives you the summary of what's going on in the markets in terms of money, in terms of VC, everything. So super helpful.

**Speaker2:** [00:08:31] So and what are you what are you looking for when you read that newsletter? What jumps out at you?

**Speaker3:** [00:08:39] Mainly. I mean, you read the headlines, right, of of the most important news, both at a macro level as well as as well as at a tech level. But it helps keep track of the market honestly, because there's so much activity happening in the busy world and in Germany that it's hard to keep track.

**Speaker2:** [00:09:03] Wow, that sounds great. Well, you deal with a lot of companies. You see a lot of businesses out there in the market today. If you could start a business tomorrow, what would that business be?

**Speaker3:** [00:09:13] So my wife and I, we just had a baby, and he's six months old. Congratulations, one. Thank you. One thing that we're that we're finding hard to get and that is extremely expensive is a baby powdered milk. It is incredibly expensive. And the ingredients that you find that are really not healthy for babies, I think I think it's I don't know, it's a product that should be out there.

**Speaker2:** [00:09:47] Great. You think that's a supply chain issue or do you think there's some other shift in the marketplace that's taking it away?

**Speaker3:** [00:09:53] I just think there are very high margins there. I don't think it's a supply issue. I think the prices are more or less the same thing that it used to be. Apparently, based on what I've what I've known, but I think people have really high margins in that in that product.

**Speaker2:** [00:10:10] Try. Jeff Bezos says your margin is my opportunity and it sounds like there's a good opportunity there for somebody.

**Speaker3:** [00:10:16] Yeah, exactly right.

**Speaker2:** [00:10:18] Well, in the last few minutes that we have here today, what else should we cover that we haven't?

**Speaker3:** [00:10:23] What else should we care that we haven't? I would say just one thing about about the new wealth that is being created in general that. People are underestimating the what we call the startup builder, right? The startup generation that is this that is the generation that is the new generation that is creating the most wealth. And it's absolutely underserved. They need they need help. Right. And to, first of all, understand the value of their wealth and how to maximize it. And that's why we exist. That's why it's sacrifice here. So that's one last thing that I would say.

**Speaker2:** [00:11:07] That sounds great. Well, so how best for listeners to get back in touch with you?

**Speaker3:** [00:11:13] The best way is that, hey, at Safaricom or on LinkedIn.

**Speaker2:** [00:11:19] Great. We'll include those in the show notes. Want to thank you for joining us today and hope to have you back for a follow up soon.

**Speaker3:** [00:11:25] Thank you so much.

**Speaker1:** [00:11:29] Investor Connect helps investors interested in startup funding. In this podcast series Experience, investors share their experience and advice. You can learn more at [Investor Connect dot org](http://Investor Connect dot org). Hal Team Martin is the director of Investor Connect, which is a 500 1c3 nonprofit dedicated to the education of investors for early stage funding. All opinions expressed by hall and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.