

Charles Albanese

Hall T. Martin: [00:00:00] And before we kick off, did you have any questions for me?

Charles Albanese: Oh, no. Okay.

Hall T. Martin: So, we're doing two things today. Number one, in the show notes under part one, we're going to have you record a 30 second, uh, intro to yourself. Uh, we'll do that here first, and at the end of [00:00:20] your recording, I'll say, and we'll cut it there. That just tells our audio guide that that's the 30 second clip to pick up.

And then we'll go into the next section, uh, which is part two, which is the podcast interview. And we'll kick off with Hello, This is Hall. Marching with Infestor Connect. And we'll carry it on from there. These are typically half hour interviews or 20 25 minute [00:00:40] interviews, something like that. If it goes longer, that's fine.

But just wanted to set the expectation of what the other guys have done. You may or may not have listened to the other podcast interviews, but they're pretty conversational in their nature.

Any questions about that or should we go ahead and kick off? Call me when you're [00:01:00] ready. Let's do it. Okay.

Charles Albanese: Right here. Uh, do you want my class? Well, I mean, my glasses

Hall T. Martin: on, it's up to you. We do have the video and for some that want us to push it to YouTube, they use it for other things. Uh, for the podcast itself, we're primarily just using the audio piece on the InvestorConnect site.[00:01:20]

And then Cindy's pulling off this 30 second clip for you and her to use for, uh, outbound marketing communications. So if you want to go ahead, go and kick off with the chapter president script and record that section first.

Charles Albanese: Okay, are you hitting record?

Hall T. Martin: Uh, yes, the [00:01:40] record is on. Paul, are you hitting it? And so we are good to go. Go ahead. Okay,

Charles Albanese: so let me get right into it.

Hall T. Martin: Okay.

Charles Albanese: Hey there. Thanks so much for connecting on LinkedIn. I look forward to learning more about you. I have been really

happy with [00:02:00] our company's vetting and collaborative due diligence processes. I am at 201 970 7000.

I can also send you a link to our next virtual meeting. You can drop in, meet some companies, [00:02:20] and see how the process works. Hope to hear from you soon. Thank you.

Hall T. Martin: And we'll cut it there. Very good. Next, let's go ahead and jump into our podcast interview. I'll go ahead and kick it off first. Hello, this is Hall Martin with InvestorConnect.

Today we're here with Charles Albanese, President and Managing Partner of [00:02:40] Coretsu Forum. Coretsu Forum is a global investment community of accredited private equity angel investors, venture capitalists, and corporate institutional investors. Coretsu Forum is a worldwide network of capital, resources, and deal flow with 53 chapters on four continents.

And Coretsu Forum members invest in high quality, diverse investment opportunities. Charles, thank you for joining [00:03:00] us. Thank you for having me. Great. Can you tell us more about your background before joining Coretsu Forum?

Charles Albanese: Well, my, my background has primarily been in the startup industry. My first position coming out of college was actually [00:03:20] with a small startup called Metro One, which evolved over time into AT& T Wireless. I went from the 34th employee into the company, and when I left the company after 16 years, we were well over 12, 000 employees.

I helped grow the company at the time. I was the go to guy who would be thrown various tasks as we [00:03:40] changed and grew. And we would run through those. Perfect them and I'd hand them off to others. After that, I went into other startups, eventually ending in a hedge fund, uh, called purvey capital, that hedge fund eventually led me into Karitsu [00:04:00] because they followed a very similar format to what Karitsu does, which, uh, gave me a very, uh, positive, uh,

can we start that one again?

Hall T. Martin: Sure. So can you tell us more about your background before joining Koretsu [00:04:20] Forum?

Charles Albanese: Yes, my background has always been in startups. The very first startup that I joined coming out of school was a small company called MetroOne. The recruiter actually brought me in telling me that, This company probably won't survive, but [00:04:40] it's a great place to get, uh, your experience.

Metro One eventually morphed into AT& T Wireless. I was the 34th employee, and when I left the company 16 years later, we had grown into well over 12,000 employees and became a nationwide and international company. After AT& T, I moved [00:05:00] on to other startups, eventually ending at a hedge fund, where I found out about Karitsu Forum.

Karitsu Forum followed the very same process that the hedge fund followed, and I was very intrigued by how they were able to move through with the resources that they had, and, uh, bring in high quality deals. [00:05:20] I joined Karitsu, and to this day, it's been almost 10 years. And, uh, to this day, I'm still with them, uh, I enjoy the forums, and I think it's a great opportunity for guests and members.

Hall T. Martin: Great. Well, Charles, you've spent over three decades in financial management across various sectors. How has the field evolved over the [00:05:40] years, especially with the integration of new technologies?

Charles Albanese: It's become far more complex and global. With the advent of internet, blockchain, social media, financial instruments, uh, have also followed suit, becoming far more complex and difficult for most [00:06:00] investors to navigate and to be confident in their decisions. Data and Analysis has become king vetting properly, various investments, following those through to flourishing and then eventually exiting has become far more difficult than it had been in the past, [00:06:20] which is one of the reasons I became associated with Kuritsu.

It's a process that takes you from. The early stages to the exit stages, but in general, the financial markets themselves are not what they used to be. People used to invest in confidence, balancing their portfolios in [00:06:40] three basic categories, high risk, medium risk, low risk. However, With the changes that have taken place and the fluctuations in the market based on global events,

based on technological issues, it's become far more complex and more difficult for the individual [00:07:00] investor to make an intelligent decision and see it through.

Hall T. Martin: So you specialize in strategic planning and visioning. Can you describe your process for setting long term goals for a company?

Charles Albanese: The moment,[00:07:20]

aside from my work with Kuritsu and also I'm in a small headquarters. Fund overseeing asset management to

set the vision in the company as to where you want to be, and then bridging [00:07:40] that gap and determining what is, what are the milestones we need to reach to get to that point, but to understand that flexibility is key. Being able to change at any given point in time the plan and making sure that you've got the people in place to be able to [00:08:00] execute that plan.

Hall T. Martin: Great. With your background in team and project leadership, what key qualities do you think are essential for effective leadership?

Charles Albanese: Flexibility. That's number one. Always being open to change. Change management is [00:08:20] essential in any startup or any company. What I have found earlier in my career, especially in working when I was with AT& T Wireless, uh, you were constantly changing how you did things and what you did to get to those areas.

Yes, adapt at,[00:08:40]

uh, your systems and how you were going to satisfy those customers needs as those customers change, evolving in what they're expecting from a product and [00:09:00] or service and analyzing what is taking place in the markets and adjusting to them really gives you the advantage in any business. To be able to adjust and satisfy those customers needs to become [00:09:20] successful.

Hall T. Martin: So how do you foster these qualities within your teams to achieve the corporate goals?

Charles Albanese: That's a great question. And most people, that's the one area I think most people fail in. They need to know the strengths and weaknesses of their team members, and they need to [00:09:40] assign the tasks accordingly. And as the company grows and changes, they need to be able to mentor those

team members. For growth, you know, a lot of companies today will look at a team that they've established, and if they don't have the [00:10:00] prerequisites as the company grows and changes, they many times.

Remove those team members and bring on other team members. You lose something when you do that. You lose the history with the company. You lose that loyalty with the company. It's very important to grow the people you have with you. [00:10:20] Now, that's not to say that if you have a new situation where you need a specific talent, not to go out and find that talent and bring it in.

But at the same time, developing[00:10:40]

loyalty, which are existing,[00:11:00] [00:11:20]

Did we get cut

Hall T. Martin: out? It cut out there for a minute, but let's pick up with the next one. Uh, can you give us an overview of what corrective forum is and what makes it unique in the world of angel investing?

Charles Albanese: Gritsu [00:11:40] forum is a, well, let me start off with this. I have gone to many, uh, angel organizations within the New York city arena. And the one thing that sets Karitsu apart from all of the others is its process. [00:12:00] The screening

determine the types of companies in the pre required guests and members to make decisions as to whether they'd be interested in those companies. Number one. Number two, coaching them on the presentation. What needs to be presented to our [00:12:20] guests and members for them to make an intelligent decision as to whether they're interested in that company or not.

And also having it presented in a clear and precise manner. Thirdly, very valuable is mindshare. Mindshare is a situation where guests and members who [00:12:40] have subject matter expertise in those particular companies can share their thoughts. During the Kuritsu Forum, we ask that The entrepreneurs who have just presented to leave the room.

We then have an open discussion about the positives and negatives of what we just heard. And one of the greatest values is having [00:13:00] individuals in the room who've had. Expertise in those particular areas who can tell you that look,

I've seen this done a dozen times. It never works or I've seen this done a dozen times.

This is a novel approach. I do believe based on what I've seen so far that it be interested in investing in this particular company, [00:13:20] which then as an investor gives me the confidence that if I do decide to potentially move forward with this company in the longer term, I'm That at least, um, even though I don't have the particular expertise in this area, that at least, um, there are people with expertise who are [00:13:40] confident in this company.

And then of course, following that is due diligence. You know, one of the things that sets us apart from many other angel organizations is due diligence. We have, uh, M. B. A. and J. D. candidates out of, uh, various universities who are doing what I call the day to day [00:14:00] work or the grunt work to do the due diligence, and it's overseen by a member who's a subject matter expert.

And after that due diligence has been completed, we then post that due diligence and allow our members. To decide whether they want to make that investment or not based on what they see in the due diligence. [00:14:20] And of course, last but not least is term sheet. You know, one of the major issues that I've always had in investing in angels or startups is the fact that I have to haggle.

With the various companies to determine what is my equity state going to be for the amount of money I'm putting in one of the things we do at [00:14:40] Karitsu is we've done that for you, the legalese and all of the work and the term sheets that are already created are on our proprietary website and available to our members if they decide they'd like to make that investment.

They can move forward with that term sheet and not be bothered by the complex legal issues [00:15:00] surrounding it.

Hall T. Martin: Well, great. So investing, especially in startups is often associated with high risk. How does credit reform mitigate those risks throughout the investment process?

Charles Albanese: Some of that I've already touched on, which is the screening process. What we normally do is we may have a dozen companies. [00:15:20] Who apply to us to present to our guests and members each month Out of those dozen companies We'll pair those down to about six companies And those six companies will then go through a live screening At that live screening one of three things can take place A company can be slated to move on [00:15:40] to present at a forum to our guests and members A company could be rejected.

We just don't think there's something there that our guests Guests and members would be interested in investing in. Or third, we definitely think there's something there. There's an opportunity. However, either all of the information required [00:16:00] for our members to make a decision as to whether they're interested in that company or not is not present in the presentation.

And or the person who's presenting it is not presenting it clearly. You know, many times a founder is not a great presenter. Many times, perhaps the person who's in charge of [00:16:20] marketing or the CEO or someone else within the organization can present in a more coherent and cogent way. So through that screening process, we're able to bring high quality companies and have them clearly presented to our guests and members.

Last but not least, what I mentioned earlier is due [00:16:40] diligence. Due diligence is the key. Nine out of 10 people who are investing in various startups. I'm not doing complex due diligence. They're not doing background checks on the keys. They're not reviewing their financials. You know, one of the things that I currently do in my capacity as overseeing asset [00:17:00] management for a small hedge fund is due diligence.

Every time we're looking at a company, I'm on the ground doing due diligence. I'm digging through the financials. I'm digging through the legal issues where I don't have the expertise. I'm outsourcing that. We do that. It corrects him. We do the due diligence so that you don't have to due diligence [00:17:20] can be quite complex on just to note.

If we're going through the due diligence process and we find something we don't like. We find a situation where there's an issue, and I'm not going to get into specifics, but there's an issue that concerns us. We will terminate due diligence. We will not say [00:17:40] why. We're not going to damage a company's reputation.

We'll just terminate the due diligence and let our members know that this due diligence has been terminated and we're no longer presenting that company as a viable investment at this point in time. Uh, however, if a company passes due diligence. Those due diligence [00:18:00] reports are put up on our proprietary website.

We encourage our members not just to read the summaries, which they can do, but to read the full due diligence report. You know, many times there are things you find in those due diligence reports that, uh, Make you more confident that

you're going to make that investment and or [00:18:20] opportunities where you can help that company.

You see a situation where, although you may not have extra expertise in that particular vertical, but there are aspects of the company that do need some help. And let's say finance or let's say marketing that you have expertise in and that you're going to invest in that company. [00:18:40] And you can assist that company by offering your expertise at the same time.

Hall T. Martin: So, so collaboration seems to be a core element of Karitsu Forum. How do partnerships with universities, professional services, and other financial institutions enhance those opportunities for both investors and entrepreneurs?

Charles Albanese: This is part of the secret sauce of [00:19:00] Karitsu. It really brings together all of these aspects that I've just talked about in regard to the universities, the due diligence that is being completed.

It brings those resources to play, enables them to do a deep dive on professional services. The legal aspects that I mentioned earlier, from the term sheet [00:19:20] perspective to looking at how the company is structured to making sure all of the documentation is in place for the company to be able to function properly and to adhere to the various complex governmental regulations and tax code are all part of that.

[00:19:40] Um, and for both the entrepreneurs and. The investors, it gives them the confidence that when they do write that check and accept that term sheet that they have had a thorough review of all of the [00:20:00] legalese and financial aspects that needed to be taken into account before they made that investment.

Hall T. Martin: So what advice would you give listeners interested in learning more about Karitsu Forum or attending a meeting? How can they get involved?

Charles Albanese: You know, have a conversation with the chapter president initially, [00:20:20] so you can get more of a direct understanding of how Karitsu operates. I've given you an overview, but the chapter president could really give you a better, more detailed, um, Overview also speak to a member.

You know, our members are most valuable [00:20:40] resource. Our members bring in other members all the time. Our members understand the complexity of angel investing and how to do it properly, how to achieve exits in the longer

term without suffering losses. [00:21:00] You know, any angel investment is going to be a risk. You know, we advise anywhere from 10 to 12 investments in order to achieve that, you know, 5 or 10x return, that some of those investments are going to [00:21:20] fail, some are going to break even or take a much longer time frame, and some are going to excel.

And give you that 20 or 30 X return. So by speaking to our guests, our members, excuse me. And, or the chapter presidents, uh, you're really getting a better education as to how Kuritsu operates [00:21:40] to minimize the companies and the losses that could potentially take place and maximize the upside or the wins that you're going to have in order to make your returns and your exits the highest they can be.

Hall T. Martin: Great. So how best for listeners to get [00:22:00] back in touch with you?

Charles Albanese: Well, they can do that a couple of different ways. One way is to give me a call. It's my phone number's 201 970 7000. That'll come directly to me. Obviously, I picked that number when I was with AT& T Wireless many, many years ago. Another way is to [00:22:20] email me.

It's charles at kuritsuforum. com. I will answer emails promptly, and what I'll probably do is set up a call with you. I think it's the most advantageous way to get to know Kuritsu is to have a call, as I mentioned, with Chapter President, then [00:22:40] attend one of our forums. You can attend virtually, or if you're in a market, which we're currently having a live forum in, you can attend in person.

The benefits of attending in person of obviously you're able to see the presenters, you're able to speak to other guests and members and get a better understanding of how Kuritsu [00:23:00] operates. However, that first initial contact would be with myself to give you an overview and to understand what you're looking for.

You know, one of the keys in membership is to understanding what is our, what are our members looking for? Are they looking for, you know, just, you know, Experimenting within [00:23:20] the angel world and they've never done it before, and they're looking for an education, or are they an experienced angel investor who are looking for a great place to look at great deals to make some serious decisions as to whom they'd like to invest in one of the other aspects, by the way, of Kuritsu is our educational program.

We [00:23:40] do do due diligence workshops, um, and other workshops. We also Um, with our membership comes a membership with the A. C. A. The Angel Capital Association, which has numerous other workshops. One of the best things in the world for any angel investor [00:24:00] to do is to get educated on angel investing. That is not done in, um, any of the other.

Angel groups that I go to and attend and oversee their presentations. And in this way, being an educated investor is the best way to see excellent [00:24:20] results.

Hall T. Martin: Great. Well, I'll include the contact details in the show notes. I want to thank you for joining us today and hope to have you back for a follow up soon.

Charles Albanese: Thank you all. I appreciate your time today.

Hall T. Martin: And we'll cut it there. Uh, I would like to rerecord the first 30 seconds. If you have just a moment, just to make sure we got a good clean copy. [00:24:40] Can we do that? Sure. So we're

Charles Albanese: ready to go and kick off. Hold on a second. When the first 30 seconds, are we talking about, uh, the

Hall T. Martin: chapter president script?

Hey there. Thanks so much. Got it. Ready? Go ahead.

Charles Albanese: Hey there. Thanks so much for connecting on LinkedIn. [00:25:00]

I look forward to learning more about you and your investing goals. As Karitsa Forum Chapter President, I have been really happy with our company vetting and collaborative due diligence processes. I am happy to tell you more about the chapter and its members. Give me a call [00:25:20] at 201 970 7000 to chat. I can also send you a link to our next virtual meeting.

You can drop in, meet some of the companies, and see how the process works. Hope to hear from you soon.

Hall T. Martin: And we'll cut it there. That sounds good. [00:25:40] Well, if this is one long recording that I had my audio engineer go in and pull out

different pieces. And so that's why we didn't have to turn the recorder on and off, but I think we got what we need today.

Did you have any questions for me?

Charles Albanese: No, that's it. I mean, you know, if you need anything further, let me know. I

Hall T. Martin: think we'll be posting it a week from Friday. [00:26:00] So, uh, that'll be our first posting date. We may get the 32nd script out sooner in case you need to use it for something else. But with that, I think we're good to go.

Appreciate your taking time and, uh, enjoy your day.

Charles Albanese: Well, thank you. for taking the time to do this for all of us. You bet. Thanks so much. Thank you. Bye now.