□ R&D Council Memo — March 30, 2026

Session #4 — New week kickoff. Market selling off hard. Oil surging. 4 days since last memo — fresh perspectives.

Market context: SPY -3.25% last week, QQQ -4.32%. VIX 29.79 — fear elevated. 10Y at 4.44%, 30Y at 4.98% (approaching 5%). Oil (USO) +12.34% — Iran tensions. Gold +2.64%. BTC -1.3% ($67,887). Rate cut expectations zeroed out. NFP Friday. Portfolio: energy names crushing it (CF +13.5%, NEXT +12.8%, VG +11%), but BUR -47%, COIN -20%, APP -17%. Carlos has $52.3M margin at 4.25%. 72 houses (57 rented, 15 vacant → ~$30K/mo lost rent). 52 Ocala lots undeveloped.

□ TOP 3 RECOMMENDATIONS

1. Harvest the Oil Rally — Trim Overweight Energy Exposure to Lock In Gains & Raise $2-3M Cash

Proposed by: CIPHER | **Impact:** $2-3M realized gains, de-risk portfolio | **Effort:** Low **The idea:** Oil is up 12%+ in a single week. Carlos's FOLLOW THE MONEY portfolio is heavily energy-weighted: NEXT +12.8%, VG +11%, CF +13.5%, VLO +7.1%, EOG +7.1%, SU, LNG, CEG are all ripping. This is the moment to trim 10-20% of overweight energy positions and rotate into depressed quality names (NVDA -4.6%, META -6.1%, AMZN -5.1%) or simply raise cash against margin. With $52.3M in margin, every dollar of free cash reduces interest cost. Selling $2-3M of energy gains at zero cost basis captures the move and reduces margin by ~$100-150K/year in interest savings. The oil spike is geopolitical (Iran) — geopolitical premiums always fade. Take the gift.

Debate summary: - **ATLAS** pushed back: "Don't trim the trend. Oil above $90 with Iran escalation could easily go to $110. The energy names could run another 20%+ if this turns into a real supply disruption. Maybe trim 5%, not 20%." - **SPARK** agreed with CIPHER: "The content angle is also real — 'How I made $2M riding the oil spike from my phone' is a banger video. Document the trade." - **FORGE** added: "We can set trailing stop-losses at -8% on the top energy movers using Schwab's platform. That way Carlos participates in further upside but automatically locks in gains if it reverses. Best of both worlds." - **CIPHER** revised: "Fine — compromise. Trim 10% of NEXT, VG, CF, VLO (the biggest winners). Set 8% trailing stops on the rest. Net effect: $1-1.5M in cash, still fully exposed to further upside."

Next steps: 1. Review energy positions this week and decide trim levels 2. Set trailing stop-losses at -8% on top 5 energy names via Schwab 3. If trimming: rotate proceeds into depressed quality (NVDA, META) OR pay down margin 4. Document the trade thesis for potential content

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2. Attack BUR (-47%) — Investigate, Decide, Act Before More Damage

Proposed by: ATLAS | **Impact:** Protect $50-100K+ position | **Effort:** Low **The idea:** Burford Capital dropped 47% in a single week. This isn't normal volatility — this is a fundamental event (likely adverse litigation ruling, regulatory action, or financing blow-up). If Carlos holds BUR in TOP CBS, this position just vaporized half its value. The Council needs to make a binary call: is this a temporary overreaction to buy more, or is the thesis broken and we cut losses Monday morning? Litigation finance is binary — if Burford lost a major case (the Argentina/YPF case is their largest), the equity could go to zero. No position should be allowed to drift after a 47% drop without active decision-making.

Debate summary: - **CIPHER** was blunt: "47% in a week is not a buying opportunity — it's a warning. Check the news. If it's the YPF case, the thesis is permanently impaired. Sell Monday. If it's something temporary (margin call, fund liquidation), then it could be a buy." - **SPARK** noted: "Whatever the outcome, this is a case study worth documenting — 'What I do when a stock drops 47% in my portfolio.' That's real, that's vulnerable, that gets engagement." - **FORGE** offered: "I can pull the news feed and SEC filings for BUR right now and have a 1-page brief ready before market open Monday."

Next steps: 1. **TODAY:** Research what happened with BUR (news, SEC filings, court rulings) 2. **Monday pre-market:** Make a BUY MORE / HOLD / SELL decision 3. If thesis broken → sell at open. If overreaction → set a buy limit at $3.50 4. Update portfolio tracking

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3. Weaponize the Volatility — Sell Covered Calls on Largest Positions to Generate $15-25K/Month

Proposed by: CIPHER | **Impact:** $180-300K/yr income | **Effort:** Med **The idea:** VIX at 29.79 means option premiums are extremely elevated. Carlos holds large positions in NVDA, AAPL, AMZN, META, GOOGL, TSLA, PLTR, and other high-IV names. Selling 30-45 DTE covered calls at 10-15% OTM strikes on just the top 10 positions could generate $15-25K/month in premium income. This is pure cash flow from positions he already holds. With the market pulling back, the risk of getting called away at 10-15% higher is low — and if it happens, he sells at a profit anyway. The YieldMax ETFs (TSLY, CONY, NVDY, MSTY, PLTY, AMZY, YMAG) already in the QUARANTINE portfolio prove Carlos understands and likes this strategy. Why pay someone else's fees when you can sell the calls directly?

Debate summary: - **ATLAS** endorsed: "This is the highest Sharpe ratio move available right now. Elevated VIX + large existing positions + no additional capital required = free money within reason. Start with the most liquid names." - **FORGE** flagged: "Schwab's options platform supports covered call selling. But Carlos needs to verify his account has options Level 2 approval. Also, selling calls on margin positions has different rules — check with Schwab Private Client." - **SPARK** connected it to content: "Options income is a massive content niche. 'How I generate $25K/month selling covered calls on stocks I already own' — that's a top-performing finance video format." - **CIPHER** added: "Start conservative — sell calls only on the TOP 5 most liquid positions (NVDA, AAPL, AMZN, META, TSLA). Use 30 DTE, 10-15% OTM. Roll at 50% profit. Track in a dedicated spreadsheet."

Next steps: 1. Verify Schwab options approval level (need Level 2 minimum) 2. Identify top 5 positions by size with highest IV rank 3. Paper trade 1 month of covered calls to calibrate strategy 4. If profitable on paper → execute with real positions in April 5. Track all trades in data/options-trades.md

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QUICK WINS (do today)

- **Research BUR -47% drop** — 5-minute news search before making any decisions. This is urgent loss prevention.
- **Set trailing stops on energy winners** — NEXT, VG, CF, VLO, EOG. 8% trailing stop protects gains automatically.
- **Schwab margin call follow-up** — The negotiation briefing was prepared on 3/26 (data/schwab-margin-negotiation-briefing.md). Today is Monday — make the call. Potential savings: $261-392K/year.
- **Check 5 Ocala closings from 3/27** — Did the closings happen? Are those units listed yet? That's $11,500/month in rent waiting.

IDEAS IN DEVELOPMENT

- **Lot Development Feasibility Study** — 52 Ocala lots at $35K avg. Build-to-rent at $180-220K/unit creates $9.4-11.4M in assets from $1.84M in land. Need: construction financing quotes, builder bids, Ocala permit timeline analysis. FORGE to build a pro forma spreadsheet.
- **SmartHive App Monetization** — App is live but revenue model unclear. Research: resident financial education as a B2B product sold to property managers? Freemium model? Partner with Gobundance members who have rental portfolios?
- **Life Insurance Policy Loan** — $62.7M face value in CBS LLC. What's the cash surrender value? Most whole life policies allow loans at 3-4% interest against CSV. If CSV is even $5M, that's $5M in ultra-cheap liquidity. Need: call insurance carrier for CSV statement.

MOONSHOTS

- **"The Margin Arbitrage Fund"** — Carlos is borrowing at 4.25% (soon 3.50%?) and earning 8.2% cap rate on Ocala SFRs. What if this became a formal fund? Raise $25M from Gobundance members at 6% pref return, deploy into SFR at 8%+ cap rate, keep the spread. Carlos as GP takes 2% management + 20% over 6% hurdle. Asset management firm built on top of existing expertise. This is a $100M+ business over 5 years.
- **Oil Spike Insurance via Put Spreads** — If oil continues rallying, buy SPY put spreads as a portfolio hedge. The correlation between oil spikes and S&P draw-

downs is historically strong. $50K in put spreads could protect $2-3M in portfolio value.

□ This Week's Focus

This is a **defense + offense** week. DEFENSE: research BUR, set stops on energy, call Schwab for margin rate. OFFENSE: the market pullback is creating opportunities in quality tech (NVDA, META, AMZN all 5-7% cheaper than last Monday). With NFP on Friday, expect continued volatility. Use it — sell covered calls into elevated VIX, trim winners, buy quality on dips. And for God's sake, get those Ocala vacancies listed with photos.