

### ***Are Penny Stocks for Losers?***



(What it really looks like when you buy penny stocks - BTW not our loss!)

The million dollar question --- *“Are Penny Stocks for Losers?”*

For the novice trader the answer might be no, because if you are new and have no experience, it might even seem smart! I want to build my account fast --- so I’m going to focus on cheap stocks because it’s easier for them to double and triple, right?!?



WRONG. Big time. Building your account takes time -- so when you hear a Penny Stock Guru say *“Want to get rich fast??”* You should politely say, *“Please get the fuck away from me, you sleazeball.”*

For someone who has experience in the financial markets (Trading Experts) we wouldn't touch them or advise our worst enemy to buy them.

But why? Why are they so bad/dangerous?

Let's pretend a Wall St Genie just appeared and offered you whatever amount you think you need to be successful trader. Just for fun let's say it's **\$1,000,000** however you have to invest it in 1 of 2 things.

**Option A**

Expensive Stock **\$100** per share

Can only buy 10,000 shares (boo thats boring!)

**Option B**

Cheap Stock **\$1** per share

Can buy 1,000,000 shares!!! (we're gonna be rich!)



Now If you are new, your probably thinking B right? Shit with 1 million shares of that cheap stock you could make a killing! Just has to go to \$2 and boom, I've doubled my money. What newcomers rarely factor in is the potential downside -- you could also lose your shirt overnight, so much for risk management.

Overnight is that \$100 stock going to double? Probably not. Could that \$1 stock double? Sure it could. We see this all the time with penny stocks.



They can double no problem, however they can get also get cut in half immediately, day 1. Which happens **far** more often than these penny stock guru's would have you believe.

If it's so easy to become a millionaire from penny stocks, why are there only 1 or 2 guys on the planet who have done so? Right now name more than 2 -- kind of hard right?

Now how many millionaires can you name from real stocks? Shit I could name a few billionaires right off the top of my head: Buffet, Bezos, Cuban, Soros, Gates, etc, etc.

Is it any mystery why rich people buy expensive stocks just like they purchase other expensive investments because of the "value," while there is no value in penny stocks, their lotto tickets and rich people don't gamble when the edge is not in their favor.

So sure these dogs can double and they do all the time. So now ask yourself that question again, with your \$1,000,000, are you going to gamble and either make \$1mil (if you don't get greedy and can actually sell it) while potentially risking losing \$500,000 to \$1,000,000 the first day you have it?

Could you stomach losing \$1 million dollars in a day or two? Like this poor soul who we told to get out of that dog shit -- 2 days later he lost 90%, his \$25,000 was worth \$2,500 in just 16 trading hours... SCARY!



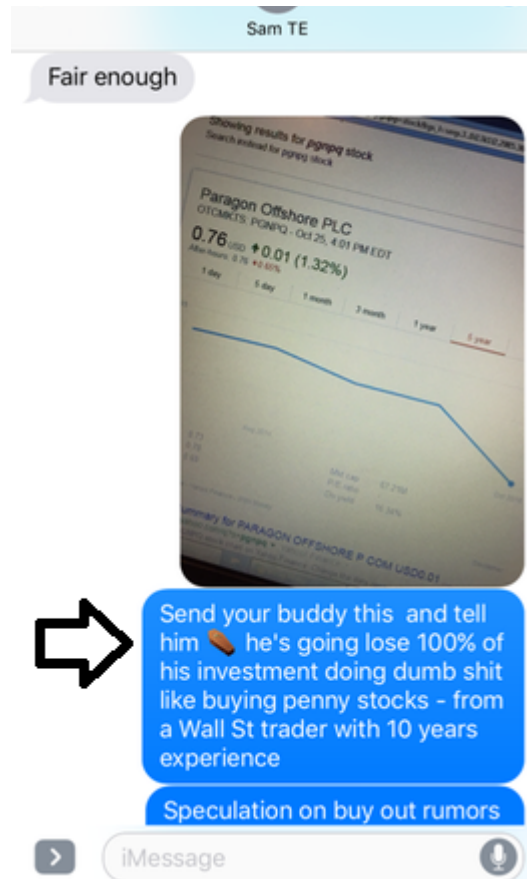
We tried to help this loser, who turned \$25,000 in \$2,500 in 48 hours but most penny stock traders tends to live in a world full of *delusion*. He bought at \$.70 and the next day it opened \$.63 cents at \$.07. What's a 90% loss overnight between friends?

This is the reality of trading these speculative companies with no backgrounds or financial history. The saddest part was we told him exactly what was going to happen when it was \$.70 a share. We were just trying to help, but he was a "guru," and told us it was going to \$2.

But why was his target \$2?

If the stock ran to \$2.....he'd recoup all his prior losses, yes we know delusional.

Can you guess where all those prior losses came from, all \$150,000 worth of them??



They all came from dog shit Penny stocks! Are you shocked?

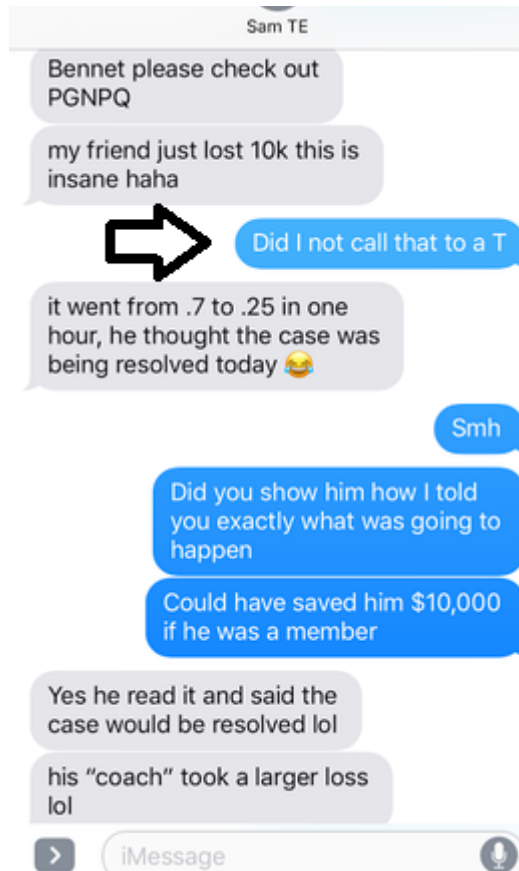
Did we have a Crystal ball and know the company was going drop 90% the next day?

Yes we did. He was the crystal ball.

How did we know, he was going to lose his life savings?

Simple, we asked him why he liked this piece of dog shit and here was his reason.

***"I am investing what is left of my life savings. \$25,000, which started out as \$175,000 just 2 years ago. I bought 35,000 shares and it is going to \$2 where I will sell and break even on all my prior losses. The company just filed for Chapter 11 (bankruptcy) and is going to Bankruptcy court on Friday! They're gonna beat it, and the stock's going to pop!"***



***(16 hours later, friday arrived and he's dead....DELUSIONAL)***

If anyone knows anything about companies filing for Chapter 11, they don't win, they sell off their assets to their creditors and the stock goes to \$0. When he says they're going to court Friday, well that's the day they're going to \$0 and you need to get out before it does. No, not him, he is a guru and is going to hit this grand slam and recoup all \$150,000 that he lost!

Now this still happens with real companies like GM in 2008 that went from \$40 to \$0, however it took 2 years for that slide to happen from \$40 to \$0 while this one only took 12 hours.

So if you're not willing to risk 50-100% of your \$1,000,000 or any amount you start with trading penny stocks you will find out the hard way very quickly. Or you can be boring and invest in much safer company that you might only lose 1-5% and could make 5-25% if you know what you're doing.

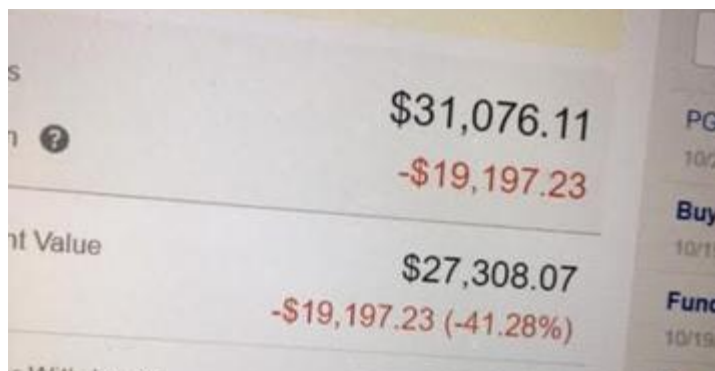
We will be the boring Buffet's and Gates', and we'll leave the sexy stuff to the penny stock dreamers still living in their parents basements.

By the way it doesn't take \$1,000,000 or \$10,000 to learn what to do, it takes **\$0** to learn.

If you picked option A this is what your life could look like, if you learn **first**.



If you picked option B, this is what is realistic, if I knew even 1 profitable penny stock trader over the last decade, I would show you. However I only know losers who blew up like this poor sucker.



**We would love to hear which option you picked and why!**