

I love going on CNBC. All day long all the so-called experts parade through the studio or satellite feeds and let fly with their best sales pitch.

They may be selling a stock, the direction of the market (I'm so bullish or bearish), or themselves, but they all want you to buy something. Of course they offer the obligatory disclaimer of what they own, or who is paying them, as if it's a bullshit enema. It doesn't change reality. CNBC and its competitors have become shopping channels for stocks, bonds and mutual funds.

Which is exactly why I love to go on the network. I love to call bullshit on whoever is on there with me. I don't have anything to sell. If I like a company, I will tell you. If I don't like a company, the same. I make it clear however that I have no idea what direction the stock or bond will go. I also make it clear that neither does anyone else.

I mean look at the concept of price targets. Someone, analyst, mutual fund manager, whoever will come on and say, "I have a price target for this stock of XXX which is up 30pct from here." I see it getting there over the next 6 months. Yeah right. When someone tells me they know where a stock is going, I can only laugh and ask them why they haven't mortgaged the house and put it all in the stock. Of course I know the answer. They don't want to put their money in the stock; they want YOU to put YOUR money in the stock so the price of the stock they own goes up.

Get long and get loud.

Why can't we just admit they are pitching a stock and treat it like a trinket on QVC. Wouldn't it be far more entertaining and honest if while the pitchman touted the product, they put up a Quantity Sold and an interview countdown?

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What gets me even worse are the big name guys who come on like all they have is an honest opinion to share. I remember sitting next to Mario Gabelli. I brought up my position that the "investment theme" of buy and hold is nothing more than a sales pitch and the best way for sales reps and brokers to get upset customers off the phone. "I know the fund is down 12 pct Mr. Doe, but that happens in a buy and hold strategy. Over the last 80 years..." What nonsense.

Mr Gabelli disagreed. He responded with the omnipresent retort to all things stocks, "Warren Buffet buys stocks." Yes. Mr. Gabelli, you are right. At that time he did. But he doesn't buy 100 or 1k shares at a time as you have suggested the typical investor should consider doing, or should trust you to do for him or her. Mr Buffet buys enough shares to have influence and in many cases control. Can the average investor do that? Can the typical fund do that?

To which Mr. Gabelli responded with the evil eye. Have you ever gotten the evil eye on national tv? I have. I liked it. It was one of those "watch me stare at you so hard, I think I can make you cry looks"...oooooh, I was scared.

No knock on Mr. Gabelli, that was his job and he does it well. He sells trust. He does a good job of it. It's still all bullshit.

I have said it many times, I don't think the average investor should be buying stocks. I don't think the vast majority of fund managers are anything special either. Something my buddy Andy relayed to me a long time ago when I started buying and selling stocks has stuck with me, and I try to remind myself of before I make any investment. "When you sit at the business table you always look for the sucker or fool. If you don't see one, it's you." The same concept applies whether you are buying or investing in a company, or buying a stock or bond. Most business deals are win win, but even then there is someone at a disadvantage. It's worse in stocks.

There is always someone on the other side of the trade. Why are they taking that side? Do you know something they don't, or do they know something you don't? You go to work and check the stock prices during the day and when you get home. Maybe you call your broker at lunch. What does the person or company on the other side do? Do you have an edge, or do they?

Which leads to my investment philosophy and a point.

I have gotten to the point where I only buy stocks under several circumstances. First, is the company strategic to my other companies. Second, can I buy enough to get the ear of the CEO. I'm not looking for information on what their numbers are, or where the stock price is going. I'm investing in this company because it matters to my other companies. Can I get enough stock where I consider myself to be a true owner of the company and can work with them to create win win situations? Do I want the stock price to go up? Of course I do, but if it doesn't, there is still considerable value to me. Of the companies I have taken a 5 pct or greater position in, I have yet to sell a share of any of them. Ever.

Small investors don't have this option. In fact small investors have no options other than buy or sell. People buy stocks with their only hope that they go up. Sometimes they do, sometimes they don't. While they move up and down over time, one thing happens with almost everyone. They fall in and out of love with the stocks they own. The stocks become part of their family. Me and IBM have been together for years. I love this stock. I'm going to buy my new house with this stock.

It's stupid, it's wrong, we all have done it. We fall in love with a stock. I swear people are more protective of their stocks than they are of family members. You can call a guy's wife fat, but if you tell him that TASR is overvalued, watch out. Every ounce of venom comes out.

One of the things I used to love to do when I had the time was short stocks. It was a hedge to the stocks I owned. More importantly, I'm a firm believer that there are tons of bad companies out of the universe of public companies, and because so few people actually short stocks, it's easier to find undiscovered shorts than undervalued long stocks. One of the stocks I shorted was Zixit.

The first time I went on CNBC and said that I was short Zixit was probably 4 years ago. I repeated that I was short when I went on last year. Since that last acknowledgement that I was short this company, I don't think a day has gone by where I haven't gotten AT LEAST one email telling me not so politely what a jerk I am, or how wrong I am. I get multi-page emails extolling the virtues of this company. I get links to message boards that suggest I am

consorting with the devil. It's very entertaining.

I shorted this company because it had every problem with a company that I looked for in a short. It was continually raising money privately, diluting shareholders. It was continually touting this new deal or that new deal. When they did acquisitions, they paid enough that the selling company would commit to buy services from Zixit. More importantly, it was in an industry that I understood and had access to.

I know people in the secure messaging industry, particularly that work with hospitals. I could spend the time and learn about the business, talk to people in the business and get to where I felt I had enough information advantage at a moment's notice that I could get an edge and keep it.

Then they switched to the Eprescription business.

Of course switching industries is flag #1 when shorting a stock, and I have a friend who is in that business, giving me some great info. Unfortunately, I no longer have the time to read as many of the SEC docs, consulting reports and competitive information that I normally would. When I asked myself whether I was the informed investor at the table or the sucker, I couldn't with confidence say I wasn't the sucker. So today I covered it.

I can't wait to get the emails when they read this.

I also want to offer one final note to all of you stock lovers. Shorts are your friends. If you own a company that you know is a good company, encourage people to short its stock. Shorts will push to keep the company honest. Shorts will let you know what could be wrong with the company. All companies have faults, shorts help you find them. Shorts also create a base of demand for the stock. Unless you made a royal mistake in evaluating the company and it becomes near worthless, then at some point the shorts will have to buy stock. That is a good thing. Always.

If someone tells you that shorts are holding a company back, run away, the person is a stock idiot.