Fake News about Revenue Royalties
Part Two: What Investors Want to Hear

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Income oriented investors will gladly accept high risk In order to achieve high levels of income.

A recent survey found that conservative investors are prepared to risk the loss of capital in order to get better-than-market rates of income. Although these investors frequently become victims of schemes and scams promising high and even so-called "riskless" investment, they still describe themselves as being conservative.

Those responsible for investing other people's money are frequently prepared to accept the risk of alternative forms of investments in their quest for higher and more secure income.

In attending a convention of investment managers, it was learned that an increasing number of important and established money managers are willing to use non-traditional stock and bond investment for their income-focused accounts. They have been investing in royalties, a percentage of revenues for an agreed period, which benefit the investor as the revenues of the company issuing the royalty increases. They claim that there is very little risk in a portfolio of royalties issued by established companies.

Income-focused investors are aware of the community benefit of investments which permit the revenue growth of privately owned companies.

It has been reported that many income-oriented investors understand that their investment in the revenue royalties of a privately-owned company result in receiving more income as the company's revenues increase, and also that the community benefits. The investors indicated that they were positive when the companies from which they had bought a royalty expanded, they hired more people, used bigger facilities and paid more taxes, all because of the royalty-financed expansion of the business.

Income Investors and their advisors fully understand the contractual investor protections which are possible with revenue royalties.

It has been reported that investors understand that the royalties issued by privately owned companies can utilize at least three contractual investor protections. The first can be a money-back offer to repurchase and terminate a 20-year royalty at the end of 60 months. Second, that the royalty issuing company can assure its performance by assigning or transferring its critical assets to an agreed third-party, which licenses the use of the assets to the company for so long as the company is in compliance with its royalty payment obligation. Finally, that royalties can be collected whenever the company receives revenues, so the company never owes accumulated royalty payments to the investor.

Traditional investment advisory firms are rushing to form royalty income funds.

It has been recently observed that many investment advisors are committing the resources necessary to create and manage royalty income funds. The advisors explain that although more labor-intensive for the managers, it is better for the investors, so they are willing to make the necessary investment of resources. The royalty income fund manager seeks investment in the revenues of companies which have been growing and which have plans for accelerated growth if non-equity dilutive funding is available. The fund managers focus on the reasonableness of the projected revenues and resulting impact on levels of royalty payment. It has taken years of study for the investment advisors to be willing to put their reputations at risk by investing in an alternative form of investment.

The Real News

Each of the above synopsized and fabricated articles reflects the difficulty we have experienced, as we proclaim the inherent benefits and virtues of royalties over other forms of investment. A direct share of total revenue in a privately owned company, vetted by a professional investor, can be a good investment for those who seek increasing income without the market volatility or valuation risk which is normally associated with high-yield investments.

We believe that “royalties are the better way of both investing in and financing of privately-owned companies” and that in times investors, business owners and investment advisors will agree. The fake will one day become real.

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