

[Transcript] My First Million / The Secret Founders Of +\$1,000,000,000 Brands

So here's some quotes. I'd like to read you. Okay. On blowing a hundred million dollars, quote, it happens when you talk about blowing a hundred million, I know cats that blew double that second response, it can happen to anyone, which I don't think you can have it anyone.

All right. What's up? We got a fun episode here. So we're going to do, we're going to play a little game. And the game is that Sam, I want me and you to go back and forth, kind of like we do when we hang out, if we were just back in the day when we both used to drink and drink a beer or two, and we would just try to entertain each other, sort of one up each other with stories.

And I'll tell you a story, a business story that I think is pretty juicy. You tell me a business story that you think is pretty juicy. And we're going to see who we're going to, we're going to measure these, you know, to see who can tell the juiciest backstory behind celebrity brands.

I texted you last night, I go, celebrity brands, but not the celebrity part, the juicy backstory. And that's all we said to each other.

Like, for example, we don't use this one, but what's the Kylie Cosmetics, Kendall, what's her name? Kylie Jenner.

Kylie Jenner. She has this lipstick company that does hundreds of millions in revenue. She's obviously not the one like running the show. She had a partner with someone, a number two, a behind the scenes person. We're going to talk all about behind the scenes people.

Who is that number two? How did they make this come about? How did they get the celebrity partnership? What made it work versus many others that failed?

Who are these sharks that are behind the scenes? Who's the number two?

I daresay we're going number two today and we're doing it live with all of you, all right?

And we rake it from raisin to grape, with the wine being a 10 out of 10 grippy, 9 out of 10. I don't actually know what's the in-between stages of raisin and grape.

Is it juicy like a prune, like a raisin, like a grape, or is it straight wine? That's how juicy this is.

Juicy juice boxes. That's how good these can be.

Dude, I have a low juicy story I wanted to ask you or ask your opinion about before we get into this. Listen, this weekend I went to Miami for this Hampton thing. We went like lobster diving. It was awesome.

I stayed at a very fancy hotel. I'm not going to name the hotel yet because I want to wait until the end of the story.

You know those cable machines where you use the rod to change the weights at the bottom?

And you know how there's a 2.5 pound weight that's usually at the top that's adjustable?

I was fixing the weight and the machine was broken, apparently. I didn't notice it.

It was broken and that 2.5 pound weight fell on my finger.

My finger looks like a grape. Can you see that? Is it all purple?

The question is, what type of petty court do we go to about this?

Is this just a free stay? Do I get my money back? I want my money back plus another free stay?

You have to find a way to talk where you're waving that. You've got to change your gestures.

You've got to have this Obama style, justicular motions when you're talking because you need to see the manager.

The manager needs to see the finger. You're not trying to wave it in their face.

You just need to do one of those where you point at it and you're like, what am I supposed to do about this?

I mean, I need something for this.

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This is off your property.

Sure, did you?

Look, if I go to a fancy hotel, I expect a fancy gym, not like where the screws come out of the freaking equipment.

My finger looks like a grape right now. It's one of those injuries that isn't...

You don't do anything with a broken finger, right? You do nothing.

But god damn it hurts.

This is like when Willis Reid limped into Game 7 of the NBA Finals from the tunnel and the crowd goes crazy.

They said, no, it's not possible. He couldn't possibly be playing with that injury.

That's how people playing this podcast today should feel about your ability to persevere through that injury.

I'm a blogger, bro. I'm a tweeter. I tweet.

And also, I can't exercise now for a week and that's why I make a living is with my 7 out of 10 body.

That's how a cat feels when they lose one of their lives.

So anyway, maybe I'll have an update to the story. Maybe I'll get a free stay to Blank Hotel name.

But we'll see if I can persevere with this aching finger, but I think we could do it.

You want to go first?

Do your best.

OK, so there's this woman named Emma Greed. You know that name?

No.

Emma Greed. First of all, destined to be famous with a name like that. Emma Greed.

Greed? Like money greed?

Yeah, but it's G-R-E-D-E. It says a little bit. Got her own spin on it.

So she is the business shark behind a bunch of the Kardashian brands.

So she was a founding partner in Skims, the multi-billion dollar shapewear brand for Kim Kardashian.

Her husband is the CEO of that, by the way. So the couple is behind us.

The next one is she co-founded Good American, the jeans brand that's massive.

It probably does 300 million a year in revenue with Khloe Kardashian.

So that's how she broke into that.

And then with Kris Jenner, she goes to the mom and she co-found safely a plant-based cleaning product brand with her and Kris Etigen.

And so this woman, she's so impressive if you've ever seen her.

A lot of people now have seen her because I think she's on Shark Tank this season.

So if you are into that form of entertainment, you've seen her.

She's super polished. So she's this woman who's half black, half white, super good-looking, British accent, and an absolute savage in terms of business.

This is what I've gathered from watching a bunch of interviews with her.

By the way, did you see the recent raise for Skims?

I think Skims raised \$200 million at a \$3 billion valuation.

And she owns 8% of that. I don't know after dilution what she owns, but she owned 8% of that.

So her stake in Skims alone is basically a multi-hundred million dollar stake.

Forget about Good American where she was her idea.

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She was the CEO. She's the operator behind that.
So you want to hear her story? It's pretty good.
She's daughter of a single mom, which is the start of every great entrepreneurial story, by the way.
Second thing, she basically is a hustler when she's young.
She's got a paper route. She's working at a deli.
She's just working all kinds of blue-collar jobs.
And she's like, okay, you know what? I want to make it in fashion.
And so she goes to the London College of Fashion.
And she's 14, 15 years old. She's already interning at Gucci.
She's hustling her way into these low-level internships at fashion brands.
And she drops out because she's like, dude,
I'm hustling on the weekends and after school like these fashion shows or in my internship,
I'm networking with all these people.
I feel like I'm learning way more and building a way more valuable asset,
which is my network outside of school than I am inside of school.
So she drops out and she starts working for a couple of like,
she works for like a runway company. And then she starts her own agency.
She's like, oh, okay, here's what I'm going to do.
I'm going to create this agency called ITB.
She's 26 years old, I think at the time.
And she's like, she'd been hustling in the fashion industry.
So now she's got connections.
So she's like, hey, let me just be a dot connector.
And so she's like, I'm going to connect all these fashion brands,
want to do collabs with influencers and celebrities.
And I'll create an agency that does that for them.
So the way she kind of got her break was Calvin Klein wants to do a campaign
for their new launch of whatever the new thing is.
She sources 70 different models and influencers for them,
signs all the contracts.
One of those people is Kendall Jenner.
To do that deal, she meets Kris Jenner.
And so she becomes somewhat friendly.
Like they've done a couple of campaigns together.
She's booked her out.
She has a little bit of respect.
So here's what she does then.
She's like, okay, this model of connecting,
like using kind of celebrity influencers is working for these brands,
but they kind of do it in an inauthentic way.
It's like only transactions.
Like when, when you need the,
when you need them to promote X product, they show up and then they disappear.
She's like, no, no, no.

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I think we should have a story and a celebrity at the beginning of these brands. And so she has this idea or good American, a denim brand that is, I don't know if you're how familiar you are with it, but it's basically like their thing is it's kind of like all sizes. It's sort of like body positive early on. And she was like, you know, we're going to have, we're going to carry like from size zero to size, whatever, like 24 or something. Imagine that pitch to one of the Kardashians. So it works because she's like, I know, but like, look, here's, here's the thing, Chloe. She's like, why me? Well, Chloe, you might want to sit down for a second. You have to say one of those things like, I'm not racist, but it's like, you know, I'm not trying to be offensive, but you're the perfect fit for this brand. I don't know which one is Chloe, but they're all like obviously fit. It's skinny, but maybe she's like the, she's the one who kind of went up and down and wait. She was like, at first she was like the big, the bigger one of the sisters. And she like had these like sisters who were like, you know, size zero, that was insecurity. And she got super, super skinny. But then she like, kind of, you know, and that naturally people's weight flexures. Imagine that conversations with like weight watchers or like one of these brands comes to you, you know what I mean? Or like, I'm honored. You know how Jamie, you know how Jamie Lee Curtis is the spokesperson for that yogurt company that makes you poop regularly? What's it? Yeah, I don't know which one. It's like a yogurt that like elderly people are supposed to eat. So it makes them go to the bathroom like on a regular basis. Like a mess. Like, we're going to call it oops, I cracked my pants. And we want you to be the face of it. You know what I mean? Yeah. That's a weird conversation. What, who cares? I don't care. I don't care. There's no problem with this.

So she pitches Kris Jenner.
She goes, Kris, she bumped into her fast because she's like,
I got an idea for a brand.
And she was expecting like, look,
I know you guys get hundreds of offers, but she was like,
I've already seen how much of a hustler you are.
She's like, I observed the way you operate.
Like, I already kind of like kind of co-signed this.
You should just meet with Chloe directly.
See if Chloe likes it.
If she likes it, you already has my blessing.
So she meets with Chloe, Chloe's in,
and they basically start this brand.
Brand has scaled up now into the hundreds of millions.
It's one of the fastest growing denim brands and jeans brands.
From there, she then approaches Kim and she's like,
Kim, we should do a shapewear brand.
And her husband, who's also in the fashion industry,
became the kind of the day-to-day person because she was busy
with Good American, but they together create skims,
which becomes a multi-billion dollar shapewear brand.
Then she does this one with her, with the mom as well.
And so I just found this fascinating,
what this family is doing.
So they basically have a holdco.
The Glee family.
What's up?
The Glee family?
The Greed family?
So Jen's Greed and Emma Greed.
So they basically have a holdco called popular ventures or something,
a popular culture or something like that.
Like he also did Brady, the clothing brand with Tom Brady.
So they're spitting up these fashion and consumer product brands
with A plus celebrities.
And they've built, they're on the Forbes list now.
These guys have a like, you know, 400, 500 million dollar net worth,
just co-founding these with, with the Kardashian family and with,
you know, Tom Brady and whatnot.
So impressive to have pulled that off behind the scenes.
And what's frame?
They have another one called frame.
Is that?
That's the fashion brand that the husband started.

They sell like \$300 t-shirts.
I don't get it, but like, you know,
Have you seen what they look like?
This husband and wife couple.
It's hard to like them because
they're so good looking.
They're like perfect.
Yeah.
Like they're so good looking.
They're both, they both look like influencers.
I was definitely reading it and I was like,
Yeah, but they probably don't have a good relationship.
I was like, trying to find some crack.
I was like, I might have cholesterol issues.
You never know.
Nobody's got it all.
Yeah.
Yeah, but this guy probably broke both fingers,
not even just one.
Yeah, they, they're pretty perfect.
Like these guys look like influencers themselves.
And so, all right.
So where do you, where do you rank on the juicy scale?
Emma and Jen's greed from prune to wine.
It's in the middle.
So they're incredibly impressive.
This is amazing that they do this.
It's what's even more amazing is that like,
so John Rockefeller had this famous phrase where he would,
when he was trying to buy other companies,
he was like, look, you should,
you should join my oil company.
I make so much money and they're like,
no, you can't make more.
He goes, look, I know, I make money.
I make money in ways that you can't even dream about.
You have no idea how much money I make.
And that's exactly what the Kardashians are like.
This good America.
That's just this little thing I don't even heard of that makes
hundreds of millions of dollars.
That's amazing.
But there's no drama here.
So I'm going to put it like right in the middle of prune.

Does a prune have juice in it?

I think it does.

We're going to give it a prune.

Prune's the lowest prune.

Raisin is the middle.

I think we're going with it.

Then it's a raisin.

This is a raisin.

There's no drama here.

I need some drama, but this is, these guys are amazing.

They're a perfect couple.

I understand.

I tried to start with like, you know, raised from a single mother because that was really the only like story of, of not just badass winning, um, you know, but, uh, the humble origin story.

But I agree with you.

There was, uh,

Like if you Google her name, there's like a picture of her and Khloe Kardashian posing with, I guess, one of their brands and they look like models.

Like I was like, is this the founder or, or a model?

They, they look like models.

This reminds me of, I actually didn't do research on this guy, but it reminds me he is also in the Kardashian sphere.

But have you heard of Brian Lee?

The honest company guy?

Yeah.

So Brian Lee.

So do you remember who, it's so weird.

Do you remember Robert Shapiro?

I don't know if you would remember him.

Lawyer?

Who is that?

The lawyer.

The lawyer.

So basically Robert Shapiro was one of the guys.

I think he defended OJ Simpson.

That's what he was famous for.

Do you remember that?

That's their dad, right?

No.

So this is where it gets funny.

So Robert.

So the Kardashian family is famous because one of the Kardashians,

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I forget the name, the dad who's, who's died, he defended OJ Simpson along with Robert Shapiro and Robert Shapiro, you know, he's a lawyer, big shot, probably a smart guy.

He ends up partnering with Brian Lee.

Brian Lee's this guy didn't 2001.

So Brian Lee was only in his early twenties.

He goes, Hey, I have this idea for this legal company, but I need a celebrity to be the face of it.

So somehow he called, or he actually cold called Robert Shapiro.

It said, Hey, do you want to be a partner on my new legal company?

And he's like, Yeah, come to my office.

Let's talk about it.

And he woos him.

It works out.

Well, that company is now called legal zoom.

And it's a, I don't know if it's quite a billion dollar company, but it's in that range.

It's a really successful company.

And so Robert Shapiro and Brian Lee were like, Hey, this worked.

Who do you also want to do it with?

And Robert Shapiro was like, Well, I got these friends.

You know, I worked with their dad, the Kardashians.

What if we worked with them?

And so he does it again.

And he creates this company called shoe dazzle, which doesn't end up working out amazingly.

And he was actually pretty early.

This was in 2009 with Kim Kardashian.

He partnered with her and it was like a subscription shoe company.

Didn't work out that well.

And his third company, he did called the honest company, which I think they went public.

Did they go public?

Yeah, they are public.

And so he partnered with Jessica Alba for that.

And he ended up selling like,

I think \$30 million worth of his shares before it even went public.

Now he's doing it again,

where he co-founded another company with Derek Jeter.

And it's a digital sports card collecting company.

So this guy, Brian Lee has been doing the same thing, very similar to the greed family of like in the Kardashian sphere and just like being the operator.

And he's a pretty amazing guy.

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So Brian Lee is an interesting guy as well.
Dude, we could pull up on this company stock, by the way.
Hammered, absolutely got hammered.
What's it at now?
When it debuted in 2021,
there's that \$20 share is currently at \$1.40.
It is now only worth \$130 million market cap.
Is it really?
I think they do like a hundred million in sales.
So it's, I guess it's straight from one times revenue.
Ouch.
It's kind of great brand.
I wonder who's going to buy that?
I think I feel like that's a great target to buy.
Yeah, it's an interesting one.
This guy, Brian Lee has been doing this stuff.
We'll put him in the same category though.
That's only a middle one.
When you're with the Kardashians, it's kind of a...
Stack deck.
Yeah, it's a stack deck.
All right.
You do one.
All right.
I have one.
So this one's kind of popular right now,
but there's a really interesting story behind it.
So virtual dining company, or is that what it's called?
Virtual dining concepts.
So basically a couple of years ago,
Mr. Beast launched Beast Burger.
And the idea that I think they actually,
do they tell us in the pod?
I think you mentioned this in the pod, right?
His manager?
Yeah, I think so.
He was basically like, we had this idea,
and we went from like idea to executing in like such a short amount of time,
which was a huge mistake.
I think he said they did it in like 60 days or 90 days, something crazy.
But they partnered with this company called Virtual Dining Concepts,
and they launched this thing.
Two years later now, it's like a shit show.
So Mr. Beast is tweeting,

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and he's actually deleted a bunch of the tweets,
but he's basically said like,
this company has ruined my reputation because the burger sucks,
the quality control sucks.
Now they are both suing each other.
So that alone is a story,
but that's not even the interesting part.
The interesting part is the guy behind it.
So the guy behind it, his name is Robert Earl.
So Robert Earl is interesting because in his early 20s,
he started a company that was just, it was just a restaurant.
I think it was like a medieval restaurant.
Have you ever like seen those on like movies?
No, but every time I go to Vegas, I would stay at,
was that castle one called the medieval castle?
It's like that terrible hotel.
That's where I was stayed.
Well, he started this thing, I think it was called Beef Eater,
and it was in England, he's from England,
and it was called Beef Eater,
and it was like a medieval themed restaurant.
And so he starts growing that,
and after a handful of years, like 10 years, he sells it,
makes like \$60 million, and he's like,
all right, what next?
And so his next thing is Planet Hollywood.
Do you remember Planet Hollywood?
Of course.
So Planet Hollywood was a restaurant concept
where it was like, we're going to go big with all the stars.
So his big stars were Bruce Willis,
Sylvester Stallone, Arnold Schwarzenegger,
and then like Demi Moore, Cindy Crawford.
He had like all the stars like aligned with this restaurant.
And he gave them all equity and goes,
you guys are going to be a face.
We're going to do Planet Hollywood.
You go to the restaurant and there's going to be like wax figures
of all the celebrities, whatever.
It was a big deal at the time.
And he expands it and eventually goes public,
but they expand way too quickly and they eventually go bankrupt.
But it's still like, it's kind of like a famous failure in that.
It actually probably could have worked,

but they expanded too quickly.
Then he keeps doing this shit though.
So he eventually buys.
He can't stop.
He's a concept junkie.
This guy.
He's a concept.
This guy, he's a concept junkie.
Can you imagine just brainstorming with this guy?
Like this guy would, this guy would not stop.
I feel like I got to be,
I need to get in a room with Robert Earl
and I need to have a brainstorm.
Well, he's really interesting.
And so now he's got this thing.
I think it's called a lookup Earl Enterprises.
So he's got this thing now where he owns,
they own like 30 different restaurants now,
and it does something like \$500, \$600 million in revenue.
And some of the brands are a chicken restaurant with Guy Fieri.
He owns a, do you remember, you know,
Bel Ducci, like Italian sandwiches and like pasta restaurants.
Yeah.
It's like better than Applebee's a little bit.
You know, they're like barely better than Applebee's
is the bar we hold and maintain vigorously for all of our clients.
Yeah.
That's like the thing.
Like none of them are like crazy fancy,
but they're all like, you know, it's like \$25 a meal type of thing,
but he owns a ton of them.
And so he's in all, not all of them,
but many of them have a celebrity behind them.
And so he gets this idea when ghost kitchens start popping up
with Uber and DoorDash starts popping up.
And so he gets a son to help co-found this new company with them.
And that's what virtual dining is.
And so he has one with Barstool where it's like pardon.
Pardon my cheesesteak.
Pardon my cheesesteak.
It's a cheesesteak business.
And then he decides to do the same thing,
except this time he does it with Mr. Beesberger or Mr.
called Mr. Beesberger or Beesberger.

And it takes off, but then obviously they have their issues,
but he has still done it with a ton of people.
So he's done it with Mariah Carey.
So he has Mariah's cookies.
He's done it with rapper Tyga,
which is crazy to me that Tyga is even relevant.
But I think by the way,
how does he have that much cool?
Well, Tyga dated one of the Kardashian girls.
So maybe that's how I don't know.
Tyga could walk into my house right now.
And I would say, hey, sir, what's your name?
I would not know who Tyga is.
Yeah, it's weird.
So he has Tyga bites.
They have part of my cheesecake.
I need to meet somebody who's just eating Tyga bites.
Like, who are the, who are the customers?
Yeah, they are strong.
And you know, I think,
I think he's working on huba stank hoagies.
That's going to be the next one.
Yeah.
I don't know what the deal is with Tyga,
but he's done this a whole bunch of times where he has this
like pretty massive empire.
And right now he's being sued.
And he's, they said in the comment or they made a comment
and they're like, look,
like a lot of people are complaining about Beesberger's,
but he goes, that's just normal.
Like when you serve all these people and he's like,
look, look at all of our restaurants.
People complain.
Look, it's normal.
People complain about all our shit.
But, but the guy's got like a ton of stuff going on.
So he owns a casino.
He owns a Latin resort and casino on the Las Vegas strip.
He still owns Planet Hollywood and they're trying to make it
come back a little bit or he owns a couple of them.
He owns a soccer team, the Everton soccer team.
Have you heard of that?
Yeah, of course.

Yeah.

And him and his wife live in a 25,000 square foot mansion in Florida.

I mean, the guy's a baller.

And if you, if you Google him, he's like this old looking guy who kind of wears tacky shirts, but he looks like a, like a blast to hang out with.

He has a TV show now where he's like, it's almost like, what's that TV show called?

Like everyone feeds Phil where it's just like a dorky guy, just like talking to restaurant owners and like learning about the local cuisine.

He's got one of those things.

So he seems like.

That's his show.

Then that's not a show.

It's like, it's very, it's very similar to that.

But this guy,

dude, these people who have these like sprawling empires for they're like, yeah, I own, you know, Planet Hollywood.

But then I got this, I have this like, you know, juice brand.

And then I have this hotel over here.

And then I got like, I own the soccer team.

Is that who you want to be?

I'm curious.

Cause I think some people really want that.

I'm not sure that I would want that.

That seems like just a lot of stuff to manage.

It seems like a lot.

Yeah.

Like it seems like.

Is that a goal of yours?

I definitely respect it from afar,

but I don't think I want to be that, that guy.

I think owning a sports team would be cool,

but I don't want to own like 500 restaurants.

So like he owns,

I don't know if you've even heard of any of these Asian street eats, the breakfast club,

uh, uh,

Burduchies.

I've heard of that Brio Italian grill,

Bravo Italian kitchen, chicken guy.

That's Guy Fieri's two J's Cafe Hollywood.
Have you heard of any of these?
No, not really.
They're all like restaurants that have like 10 or 20
locations and like hopefully each location makes like \$5
million.
And it's like highly profitable.
Another guy who does this in the same,
similar is cabin category is, uh,
Tillman Fratida.
Do you know who that is?
You probably know him because he owns a Houston
Rockets, I think.
So he,
I read this interview with him and he goes,
I think I am one of the largest companies in America
that is fully owned by one person.
He owns 100% of the Fratida enterprises and it does
something like four billion in revenue,
one million,
one billion in EBITDA.
He owns like all these kind of,
he owns some,
I guess nice stuff.
He owns like some steak houses,
maybe like Ruth Chris,
I think he owns,
but then it's,
he owns like bubblegum,
shrimp and stuff like that.
Um,
but some of these restaurant brands where it's like \$30,
\$50 a meal,
apparently they must be really profitable because I've
read about a few of these guys,
including Robert Earl,
I've read about Tillman Fratida.
So I don't know,
I guess it works,
but it seems like a pain in the ass to deal with all
these types of people.
Yeah,
let's move on to the next one.
Um,

let's,
what's that one?
Oh yeah,
we got to rank that one on the juicy scale.
I'm going to give it,
uh,
I think that might also be a raisin,
um,
partly out of revenge and partly because,
uh,
this guy owns a bunch of,
like mid tier things.
And so I feel like I can't possibly rank him above.
I,
I don't want to eat at any of his products that way.
So, you know,
I do think that,
but I, you know,
wait, did you go to,
but didn't you go to Chuckie cheeses this weekend?
I did not wish,
wish I had.
I did not.
I thought you said you were taking your kids there.
You're thinking of someone else.
I went puppet golf at this dude.
It's hilarious.
These guys opened up a pup.
They just took a parking lot and then like a husband and wife just sort of
out of plywood,
built a few holes and they just charge you \$10 to walk in that area of the
parking lot and they'll give you a club.
And my kids love it.
And we go there like,
you know,
like twice a month.
It's kind of this insane,
like,
uh,
business plan that makes no sense.
I think that makes tons of sense.
I mean,
there's just no,
like it's putting without the green.

You're putting on concrete.

Oh,
there's not even turf.

No turf.

There's a little bit of turf,
but it's like the whole thing is very like it all things like made of
concrete.

So it's not a great,
not a great look.

Yikes.

All right.

What do you got?

All right.

Um,

I'm going to do one that actually we,
we did.

I was trying to do research for this and the best breakdown of this
business was our own podcast,

like two years ago,

but the fact that I had forgot it means that everybody forgot it.

I'm going to,

I'm going to talk about Guthrie Ranker.

So these

the legends,

these are the geniuses behind a bunch of celebrity things.

Let me pull up my notes here.

So,

backstory for these guys,

including one of my favorite books,

which one?

They can grow rich.

Well,

yes, exactly.

So,

okay.

So here's the,

here's the way that the business works.

So Guthrie Ranker.

So,

one of the guys,

Guthrie,

his last name is Guthrie,

he's,

he has a business that's basically audio cassette tape copies.

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So you have a,
you have an audio tape,
you want to make 10,000 copies to sell your music or whatever.

He makes the 10,000.

I think it was even called like audio tape,
duplication,
enterprise or some shit like that.

And it's a,
okay business,
but then suddenly he gets a call from a guy.

By the way,

I love names like that,
which let's just start bringing that back.

I'm sick of the like cute shit that ends in L Y,
you know,
like tapely.

Yeah.

I mean, I want,
audio.

Yeah.

Why isn't it called a bunch of dudes talking about their feelings?

I tried to make Hampton a little bit,
like Jordan Belfort named his company strap in Oakmont,
Jordan Belfort.

It's the,

uh,
they're like,

well,

it was like,

why'd you do that?

He's like,

I don't know.

Like,

I just thought of these two words and it sounded like an official thing.

And I was like,

I kind of like that.

But I do prefer,

I do like,

like audio tape enterprises.

Yeah,

exactly.

Um,

so these guys,

uh,

so he gets an order,
he gets an order for 120,000 tapes.
He's like 120,000.
Oh my God.
Who,
who is this?
So he calls up the guy,
Hey,
just want to make sure your order is correct.
120,000.
Or what did you mean 12,000?
Say,
no,
no,
120,000.
He said,
I've never heard of you before.
What do you do?
Turns out the guy is a real estate guy in Arizona.
But what he started doing was he was like,
Oh,
yeah,
I was a real estate guy.
But then I realized I could just teach people how to make money in real estate.
And it's going gangbusters.
And he's like,
what?
And he's like,
yeah,
it turns out that there was,
as you like to say,
an inflection.
And the inflection was that in 1984,
the FCC,
deregulated the ad limit.
So they said,
you know,
before that there was some rule you can only have like 12 or 16 minutes of ads per hour of TV.
They removed the limit.
And so now what people could do was they could just go to a channel and be like,
Hey,
can I just buy like your 11 p.m.

slot

for like five or six months?

And he's like,

yeah,

he's like,

yeah,

he's like,

hey,

I want to buy like a 15 or 17 p.m.

slot

for like five grand.

And they're like,

sure.

And they would just buy.

They was by the hour of television programming and they would just run a giant commercial and infomercial.

And so

don't he hears this and he goes to,

he goes to meet up with his buddy,

this guy,

Ranker and he's like,

yo,

Ranker is working at his family's hotel resort at the time.

And he's like,

you know,

he's kind of like the pool and tennis guy.

He's just like sitting around doing nothing.

And he's like,

I ordered 120,000 tapes.

This is amazing. I think this might be a better business than the tape business,

like, you know, rather than copy the tapes, why don't I copy his business? He's like,

he's like, all right, so what do we do? He's like, this infomercial thing, I think we could do this.

He's like, well, all right. So they go, they buy every book they can read on

commercials or like, but there wasn't really even the word at the time. Because again,

the rule just got changed. There wasn't even a category called infomercials at the time.

They start studying copywriting, direct response marketing. And after a few days of just like

cramming, Ranker's like, I think we could do this. They're like, what should we start with?

They're like, well, we could try the real estate thing. But neither of us know anything about

real estate, nor do we like have a passion for that. At least for this first one. Start with

something we both, the what's the common ground that we both think is like awesome. Like the

thing we became friends on was this kind of self self-help, self-development, personal development

category. So this is like that sign that Cartman has when he's like coming up with a startup

idea, he's like, look, step one, we're going to start up, step two, we're going to scale up,

step three, we're going to bro down. Or like when they're talking about stealing the underwear,

they're like, steal underwear, then profit. And they're like, well, what comes in the middle? Exactly. And it worked. That actually is how most startups work, by the way. It seems like you're making fun of them. But honestly, that's actually more true than the other way. So they go, they're like, okay, we can, they realized they could buy the rights to the book, Think and Grow Rich, one of their favorite books, because it's like, it's such an old book that like the copyright or whatever had laps or some shit like that, they could basically buy the rights to it for \$100,000. So they scrape together savings, and they're like, we're going to buy this. They buy it for a hundred grand. And the next three years, they make \$10 million in sales off that. So like really awesome for them. But in the grand scheme of things, it turned out to be like kind of like just a base hit compared to what they then go on to do. But what year did they buy the book in the 80s? Yeah, it was like early, it was kind of like, I think early to mid 80s, something like that. So like \$100,000 was like \$300,000. So it's like not a small bet for your first time. Go at it. One thing leads to another. In the infomercial that they create, they get Frank Tarkington, the NFL quarterback, they're like, oh, let's get anybody they saw the head mentioned, they love the book, Think and Grow Ritz. They're like, hey, come be a part of this infomercial. And the whole infomercial is on YouTube. You can go watch it. In fact, I want to do a masterclass breakdown just on this infomercial. But you can watch the thing. And what they do is they don't tell you about the product at the beginning. They're like, you just hear Frank talking to being like, you know, I always used to feel blah, blah, blah, blah. But now I'm blah, blah, blah. And then somebody else comes in and they're like, you know, I was struggling, blah, blah, blah. And then now they don't tell you what's the product that gave them that transformation. Like this is the genius of marketing. As you sell this benefit, this transformation, you want people banging down your door saying, what's the pill? What's the product that gives you that? Right? Like this is the osemptic thing. How the hell are you losing all this weight? And it's like, oh, I take this thing. Okay, you know, let me have it. Let me have the magic pill. And so at the end of the video, they say it's Think and Grow Ritz. They do \$10 million in sales over the three years. By the way, this video on YouTube has like 900 views. Like nobody is studying this thing. It's crazy to me that a video like this would have so few views. And they tell the story around the book that the richest people in the world, you know, Carnegie, the Rothschilds, they wanted this guy to write this. And so Carnegie commissions, what's his name? Napoleon Hill, to go study the most successful people in the world and find out their secret. And he did, right? And so that's the, that's how they sell this book. Beautiful. In the infomercial, this is an awesome infomercial, they have one guy come on who's a 24 year old wonder, can this guy just get this? He's on the up and up. Tony Robbins comes on a guy named Anthony Robbins comes on and talks about how much he loves the book unpaid, by the way, they're like, Hey, will you do this? I heard you love this book. He's like, I'll do it does an unpaid spot. And they're so blown away by his charisma on camera that they're like, we got to be in the Tony Robbins business next. So they go to Tony and they're like, Hey, love your book. We want to do the same thing we did think we were rich, but with your book, he's like, Okay, so they're like, we'll brand it, we'll figure out the infomercial blah, blah, blah. They do it. They create a program in 1988, the year I was born called personal power. And it becomes the best selling self help program of all time. It does \$20 million in year one. And, you know, just goes on to just how old is I'm looking at this. I'm looking at this Tony Rob. Tony Robbins has the original infomercial is you two page for the for his personal power.

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How old is he here? He's like 25 years old of that. That's crazy, man. He's got a huge job. Yeah, he had a growth, a pituitary growth problem, which is why he all of his hands, his teeth, his jaw are also oversized. He's a huge guy. Have you ever seen him in person? I want a pituitary growth problem. He looks like he did it. I think he like it was causing him like to have a secret like 10 times more HGH than he was supposed to. And then they removed it at the right time before he became like an actual like nine foot over. So like, you know, he got the benefits of that thing. It's an amazing story. He looks awesome, man. His jawline, he looks like the ultimate Chad. He looks awesome. He's got like charisma of a nice guy, but like the looks of a Chad, that's that's like, that's a killer duo. You know, I thought that might be your takeaway from all the things I just said. So I'm glad you picked up on the important bit. So they do. By 1990, now they're they're three years in, they're doing 36 million a year. They almost go bankrupt because the Gulf War starts in 91. And all television attention goes to that. So the infomercial business just sucks. And they have to basically fire everybody just to stay alive during that year because they were infomercials just not converting. The war was was taking everybody's attention. So then they go on and they're like, okay, here's our here's our model. And I've watched there's again, this the research for this was so fun, though, there's interviews with this guy. If you want to Google it is is a Van de Van de Bundt. This is the guy who joined really early. He's been the CEO now for like, I don't know, 15 years, really want to meet this guy. I want to have him on the pod. He's there's no interviews with these guys really out there. They don't go podcast or anything like that. But this guy Van de Bundt went on did a talk at some school, I think at USC, and they chopped up his his talk into one minute clips. And I must have been just like 45 one minute clips last night of this guy love this guy's got such a good attitude and was saying things. But he's like, he's like, look, here's here's our process real simple, like, we find the market need, like, how do you find it? He's like, well, if you see one person with good skin and one person with bad skin, trust me, there's a market need. Like you see some one person with brown teeth, another person with white teeth, that's going to be a big market need. And I can just sell it to you by showing before and after. So that's the first thing is like, then we find the products, and we try to license or own them. Then we tie them up to a developer or a celebrity or a story because nobody wants to buy from an ivory tower that says we have the solution. Oh, they want to buy from a person who says, I figured this out, I spent my life working on this and I figured this out. And he's like, we marry the market need with the marketing technique. And so the market first marketing technique they did was that infomercial technique that drove them for a long time. And now they've shifted to more like internet marketing since then. And like to do the like the television just the depths that they went to so they were so early in this, they're shooting these, these things for like, you know, all their brands, like they created proactive the acne brand with Justin Bieber as one of the celebrities and like these doctors as a celebrities. They created principle secret, they got this this actress Victoria principle. And they were like, okay, we think this is good, but we don't know exactly how to sell this product. So you know what they did, they put her on QVC, they're like, let's overpay to be on QVC. Like, is it going to break even? Probably not. But at QVC, if you ever seen how a QVC thing goes, they can go backstage because during QVC, people are calling in to buy. And he's like, basically on a like 10 second interval, you can see what gets people to buy. So they did this almost as a study to test the content. So they have her talking for an hour,

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and they can see what are the things she's saying that's causing the sales board to light up. And they had they took a product that really wasn't working, they went and reshot the infomercial with that intel of like, what, what lines and what talking points were driving the most interest. They reshot the infomercial and now it's a \$2 billion revenue generating product that they that they created out of that. Pretty awesome. They created Proactive, they created a Pilates brand, a brand with Cindy Crawford, they did all this stuff. So they are 100% privately held now. No external investors, just Guthi and Ranker, they've been doing this for 30 something years, and they do a couple billion in revenue profitably. And I was like, how is it possible? How did they scale with the outside revenue? And then here's the funny thing, there's actually a story of like you know, this is like funny story. So they get this along the way, they actually did take investment. So it's 100% owned now. But at one point in time, they gave up 33% of the business something to this guy, Ron Perlman, who himself is a prolific guy. He owns TV networks, he owns Revlon, he owns Marvel or he owned Marvel at the time. Yeah, I think he he's one of the guys who he's a he's one of the richest men in America. I think he's like worth like 40 or 50 like in that range billion. And he helped, I think his buyout of Revlon was the largest leveraged buyout at the time. And he like kind of pioneered like the the leverage buyout. I read his biography a few years ago. Google hasn't been like 4 billion, but maybe it's gone up since then. Oh, I guess well, for a previously worth. For a while was huge. Yeah. Why did we go? Why did it go down so much? Maybe because Revlon, but I think he I don't even remember what Revlon did. I think it was like makeups, but it was like a conglomerate like it owned like all this type of stuff. But he he bought it for many, many, many billions and he kind of pioneered the the leverage buyout, which eventually like the American population like it was like one of those things in the 80s where it was like like just absolute greed and like there's like, you know, like barbarians at the gate type of shit. Ron Perlman, five marriages. Yeah, there's a price to be paid. The AI that's studying right now that might be like, I guess getting married five times causes you to be a billionaire. No, no, no, it's correlation, not causation. You know how rich a guy is. He's got five marriages. So okay, so they sell it. They sell him the steak. He gives them \$25 million. They're like, beautiful. And he owns these TV networks. They're like, Oh, great, we get dirt, cheap airtime. And we get \$25 million to invest. They use that to grow like crazy, pay off these pay celebrities to like be the endorsers like Justin Bieber and all this stuff to do that. I think they had Sidney Crawford. They had like a makeup thing with Sidney Crawford. I think they have one with Jennifer Lopez. They had a thing with J.Lo. Yeah, exactly. Eventually, Murdoch buys Ron Perlman's like TV networks or whatever. And then basically they're like, Oh, we get this steak, this 37% steak and these Guthy Riker things. And it was just kind of lost in the Murdoch like Empire over time. They went back. Lost in the couch cushion. Can we just buy this back? And they got it back for like, you know, some tiny amount. They were able to buy back and own 100% of it. And then I think now like recently, finally, they, I think Goldman bought like a minority steak in the business, valuing it at \$3 billion. And here's how you know they're really rich is the CEO who you said Van, what was his name? Van Bunt? Van De Bunt, yeah. He just bought a \$25 million house. Whenever I hear about these people, I'm like, let's see how rich they really are. You could always find out through the real estate holdings. He just bought a \$25 million house. And then Bill Guthrie, if you Google him, he doesn't come up because of this business. He comes up because Prince Harry, I guess. Yeah, they lived in his house just living for a minute. Yeah,

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they lived in his estate. It's not a house, it's an estate when they were like, you know, homeless for a few minutes. They lived in his estate. And then also, he owned a home that one of the gender, the Kylie Jenner bought. So it all comes back to the Kardashians. Yeah, they're everywhere. At these guys' peak, they owned 35,000 toll-free numbers. Their phone bill was \$150 million a year. That's insane. He's like, yeah, we did that. And they're like, did you need that? He's like, we did it for attribution. He's like, we needed to know what converts better. The way we did that was every time we would try a new variation of our content, we would give it a new number. So we could just attribute which number is getting the most calls versus the spend. And that's how we did our performance marketing in the telephone days. I thought that was pretty dope. But you're also, you didn't even mention their most successful product that everyone who's listening who's at least 30 years old will know this product. Which one? Proactive. They did proactive. I did. Did you say proactive? Yeah, that's the one they did with Justin Bieber. Yeah. Well, I think you didn't put enough emphasis. I needed a pause. Yeah, they did proactive, which made like a billion plus. I bought proactive. I mean, everyone bought pro. Did you use it? No, I didn't use it. But I watched a bunch of those infomercials. Their infomercials are very entertaining. You can just watch it as a show. And actually, it was pretty interesting watching, listening to their method. So he's like, he's like, you know, he always says the same thing, he goes, if you just come to me saying X, I can't, I can't change the channel fast enough. You can just tell that that's like the guiding principle is like, you don't want them to change the channel. And it's like, everything trickles down from that one principle. So he's like, it's called the slippery slope, baby, you got to make a pause on that slippery slope. So he's like, these guys come in and they start pitching me a cyber safety product. And they've been doing it for like seven years. It's, you know, in the highest ever gross is a million dollars a year. And he's like, okay, so what's the product? He's like cyber safety, you know, like, we help make your your computers, your computers are the new thing. We make your computer safer. So you don't get hacked and you don't have a virus on your computer. He's like, man, if I'm watching TV relaxing at night, the last thing I want to do is get stressed about my problem, get stressed about a problem I'm not already stressed about, which is like, oh, now my computer is going to get a virus. I'm going to lose it. He's like, I couldn't change the channel fast stuff. He's like, but before they walked out of the meeting, he goes, Hey, I got a question for you. You know, we have this thing called need, need greed vanity. That's what we try to tap into. He goes, when you fix the computers to make them safer, does that also have any other benefits? Like, does it make it faster? And they're like, Oh yeah, for sure. Because, you know, no viruses go faster. He goes, Hmm. All right, come back next week and pitch me the fast thing. They come back and then they launch this product called double my speed. And that business that had never done more than a million dollars in seven years, all of a sudden does \$75 million a year at the time he was giving this interview a while back for double my speed. He's like, you know, I just, he goes, there's too many smart people and they're like, how did you do it? Did you do like internet advertising for this computer product? He's like, no, we did radio ads. And it was just a radio infomercial. He's like, you know, I, he's like, there's too many smart people online. He's like, I don't want to compete in a knife fight unless I have a gun. And he's like, so we went to the radio because really no smart people were advertising on the radio and we could just get a bunch of inventory for cheap. And we could just create content that was better than the

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current stuff on radio. And I was like, man, this guy's awesome. They were like, how are they doing now with infomercials not being as relevant? So he talked a little bit about it, but I don't know. There's not that much info out there. But he goes, he's, so he's, they were like, how'd you make this a success? You know, you, you, they're like vent, this guy, whatever his name is, Vanderbunt, Vanderbunt's his last name. And they're like, you joined at what revenue? He's like, it was 12 million a year. He's like, what is it now? He's like, like 1.7 billion. They're like, amazing. You hear that? The whole audience is like, wow, you know, that's amazing. And he's like, he's like, yeah, when you say it like that, it sounds crazy. He's like, but you don't see that far. He's like, when you're at 12, you could, he's like, what's that phrase like you can, you can't see beyond the wall that's in front of you. He's like, when you're at 12, all you're thinking about is 25. And you just, there's some wall between new and 25. And then you break through that wall, then 25 wants to get to 60. And like, there's another wall to get to 60s. Like you just keep doing that. We just did that over and over and over again, until you, until you figure out like, you know, the right thing. And he's like, and he's like, for six years, when we were doing the infomercial thing, we were so early to that channel, we were just the best at that channel. He's like, honestly, we didn't learn that much during that time. He's like, all the learning came in these like, he says this funny joke, he's like, he's like, there was some year where like, infomercial started to tank, the internet started getting more popular. He's like, we had 30 million people that were on a reorder program, meaning he's like, our business model is we get you interested in a product, you call up our phone, we pick up, and we tell you that that product is going to be great for you and that we may have some other products that are great for you. And actually, you know what, if you do this right now, we'll keep sending you this product for the rest of your life. He's like, that's like the business model. And he's like, he's like, it felt like one day, all 30 million people on our reorder program called each other and were like, you know what, let's cancel this shit. And he's like, he's like, the way the world was caving in, he's like, then we had to get smart again and figure out like, oh, we haven't even had to fight to win in so long, let's be smart and let's figure this out. And you know, I just think these guys, these guys have built an amazing business and nobody really talks about them, at least in our circles. Well, they don't talk about it because a, like it's not sexy. I mean, the money part is sexy, because like when I, you make this sound so cool. But in reality, this probably looks like workaholics. You remember that TV show, workaholics, how they're just sitting around making phone calls. That's probably what the office looks like. We're just a bunch of like morons like sitting in this shitty cubicle wearing like a badly fitting tie and suit, like just answering these calls. I mean, that's like not that fun to do like on a day-to-day basis, I imagine. It's really fun when it's crushing it though. They also don't get talked about because they've been around forever. It's, it looks like the company was launched in 88. And before that, they were doing different stuff. So it's been around for 40 years now. But yeah, I love these guys. I want to know what they're doing with digital because I remember like, you remember P90X? Yeah, the workout room. I love P90X. That's another company. It's called something Beach. What's it called? Beachbody. So they own, they're just like Guthrie Raker, but they own like P90X style companies and they owned a bunch of them. And I remember them. Well, you know what they did? They pivoted. Yeah, they, because the internet was like coming around and they're like,

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we have to keep up. And so now they have like a, it's almost like a Netflix style business, isn't it? It's an MLM subscription. So basically, they changed the sales model from this direct response infomercial model to MLM. So now they have Beachbody trainers and Beachbody associates that will sell people to join Beachbody, right? So they get people to post on social media that they've not only have they gotten in shape, they now work for themselves. They are independent and they're making more money than they were ever working before. And if you're interested in kind of hearing how you changed, how you turned your life around, like side into the DMs, and then they basically sell you that like, you too, should start selling Beachbody programs to people around you and you could make a lot of money and be fit. Dude, that's the worst. That totally like, because I remember when I was in Australia, when I was living there, I didn't have a gym. I did P90X, I did like, I did it. I thought it was awesome. But when you go to MLM route, it makes me hate you. Yeah, what's your name? Tony Horton? Dude, Tony was ripped. Tony Horton was ripped. I even like side characters when it was like, you know, whatever, he'd be like, the chef is here, the Russian, blah, blah, blah. That's a great program. I wonder what he looks like now. Is he still Jack? Yeah, he is. Yeah, he's still Jack. I think he has some disease. He got some disease and then kind of bounce back or something. Well, he still looks amazing. If you Google Tony Horton, he's 65 years old now. He looks great. So it worked. But anyway, I'm a big, I like these, I like studying these companies. I also like studying them because a lot of people in the tech startup world are like, well, this shit doesn't work anymore. And I'm like, wrong. It 100% does. Maybe it looks a little different. Well, dude, this is what every DC Ecom business is doing, right? Like, that's what they're, the thing, the first business I featured, which was, you know, the Greed family doing this with the Kardashian, creating a Shaper brand of the Kardashians. This is no different. You know, the cosmetics brand with, with, you know, Kylie Jenner, there's no different that what Guthrie Rinker's been doing. They just used Instagram instead of Instagram and celebrities instead of Hollywood celebrities and TV is the same model, same, same thing. So this one's a great you win. This one's definitely the most interesting one. It's incredibly fascinating. One thing that I was trying to research that I couldn't find. And I think there's a bunch of people in our world working on this is everything that we've discussed, it's mostly consumer products. What I'm curious is why this hasn't worked for like a more of a B2B product. So in a weird way, we aren't this, but HubSpot. I was about to say, bro, you're like a fish being like, what is water? It's like, yeah, we are this for HubSpot. You know that? Yeah, but we're not, we're, we're not the founders of the company. You know, we're not, we're not like, you know, we own. We're the Kylie Jenner in this case, right? They basically. Yeah. But Kylie Jenner owns 50% of that shit. We, you know, I, I own. That's why we got to renegotiate. Yeah. And so I don't own that much of HubSpot, but I remember they, what was the company that did this with the, what was the rack space? They did it with a guy. What was this? Robert Scoble. They were early with that, but I don't know if it worked out wonderfully or what happened to that, but there's not, I know there's a few other companies. So there's Assembly Brands. I worked with this guy, Hunter. So we launched this thing called Viral Cuts where I own part of the company and it's like a agency that clips podcast clips, but it's going to be small. It's

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not going to be a multi-billion dollar company like that. I wonder why. Shepard is a good business. It's like, it's a business that fits our audience, right? Every entrepreneur needs to hire people. If you can hire talented people overseas for 10 times less, like this is like a no brainer product. So Shepard was already working and then they bring me on and now I own a piece of that company. Enough of us. You are the Sidney Crawford. I am. I've been telling them and they looked at me a little funny when I said it, but this is what I bet. And since we joined, first it was Nick Huber was doing it with him. No, you're more like the Chloe. You're the Chloe, man. You're the Chloe. Oh, that was good. A plus about one. But it's the same thing. Bring on kind of like a influencer to promote a B2B product and revenue, all time high last month, all time high this month, right? Like it just keeps happening now every single month by doing that. And so it's a, I think it is happening more in the B2B space and that's why. It's happening more, but it's not nearly as common and I think it will be or should be. It's a big opportunity for sure. The thing that, the thing that's interesting is that Austin Reef tweeted this out over the weekend. I don't know if you saw him say this. He said every, I think he said D2C though. I think he said every like e-commerce company is going to have a content creator that's more highly paid than many of the executives. So he says over the next five years, every D2C business will have full-time content creators on staff. The best will be comped more than the execs and drive more value than anyone else in the business. The math is going to make sense to hire, build, and invest in creators who can become a part of your company narrative versus spinning off one-off influencer campaigns. The key difference between a creator and a social media manager. A social media manager just creates a post content. A creator is the content. And of course, the best companies will be founded by creators like Happy Dad, Feast of Bulls, Prime, et cetera. When people hear creator, they think of Mr. Beast of Logan Paul. I'm not referring to famous creators, just people who create content full-time. And this is something that we're seeing with our D2C business, but in general, I think this is, I think you just need to take out the word D2C. Darmesh had the same insight. He goes every software company is going to have its own media company. Why? Because creating your own media is going to bring inbound leads. And it's going to be a more efficient channel than doing outbound paid ads. And Darmesh is sort of like that with HubSpot. I mean, people like, actually our most popular episodes are Darmesh. So he's pretty much doing that for his own company. Yeah, exactly. Exactly. Okay, you want to do, you have more or you want me to do one? You want to do one more or? Let's do Scott Storch. Yeah, okay. I wasn't sure if that was in the same category, but I want to talk about that. So here's another version of the guy behind the scenes, the engine that makes the thing work. We did it with business or D2C products. Well, how about music? So this guy's going viral recently for a bunch of TikToks because he's got an amazing story. This guy, Scott Storch, he is a producer. I think he's sober now. And he's like, he's like out of the, he's like left the cave. He's a producer. He's a songwriter and he's famous for a couple of things. He produced some of the biggest hits like, you know, Still Dre, you know, the little piano keys at the beginning of Still Dre. That's Scott Storch was sitting on a piano, did it. And Dr. Dre was in a kitchen eating a sandwich, poked his head in and he goes, that's it. That's how Still Dre, the track happens. I love those stories. I love those stories. He did Candy Shop. He did Naughty Girl. He did a bunch of songs with everybody you can imagine,

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Beyonce, Dr. Dre, 50 Cent, Snoop Dogg, Busta Rhymes, Justin Timberlake, Chris Brown, all of them. He's amassed a fortune of about \$100 million doing this as a producer behind the scenes that you didn't know about. That was just killing it. And he's also famous for blowing all \$100 million because he got addicted to two things, spending and cocaine. And he was basically just partying too much, blowing through all his money. And now he reset. So he went to rehab, got clean, declared bankruptcy basically and came back and now is trying to rebuild again. And so this guy's story I thought was pretty crazy. What do you know about this? Yeah, so we did a bunch of interviews

lately where he was like, I was spending two, three, four, \$5 million a month. He was like, I had houses that I forgot about. He said, we had this one house and he goes, I had a \$5,000 worth of like glass figurines that I had a party. So you were collecting like cars or shoes. He goes, I collected everything that could be collected. He goes, stuff I didn't even care about. I was like, I had a million dollars of crystal figurines. He was like, I had a party and they fell over. And we just like, sweep them up with the dust. He goes, I had a \$500,000 crystal bottle of perfume. And the guy was like, do you even wear it? He goes, nah, some drunk girl at a party knocked it over and broke it. And he's like, he had a \$4 million pinky ring.

If you think you're balling and you don't have a \$4 million yellow diamond pinky ring, you need to step down because Scott Storch has it done. He is a character in Grand Theft Auto because he's so prolific as a guy in Miami who's like, in the scene.

There's this one story from 2013 where he says he spent something like \$100 million, once it's \$30 million, once it's \$100 million in six months. He's like cocaine, houses and cars. And he just went hard. So like, I love stories like this, by the way. I like it because hopefully this will have a happy ending. But I just love people that fly close to the sun.

Well, he's also a genius because he dropped out of ninth grade. You know that? So he dropped out of ninth grade. And you know how he made his original, like, how he broke onto the scene? He was the keyboard guy for the roots. So he's in ninth grade. He drops out, teaches himself how to play the piano. And he's like, yeah, they're like, you didn't take any courses. He's like, no, I couldn't afford a class. He's like, I actually enrolled in one class, but I couldn't afford to get to it. So I was like, ah, I guess I'm just not gonna, like, you know, I'll just try to sit here. He's like, I would have a tape player and I'll put it on the piano. And I would hear it. He's like, then with one finger, I'd be like trying to recreate what I just heard. He's like, and I just did that until I could learn how to play the keyboard to, like, by ear. He's like, so then he discovers the roots before they were big. He joins them and he's the only, you know, he's the white boy in the roots. And they are just going and playing, like, literally on like, corners. And like, he's like playing in the corner, you know, they'd go down to New York and they would play for a day and then come back to Philly. And he would just do that all the time. The roots start getting popular. They get signed. But then he leaves the roots and they're like, why do you want to leave the roots? He's like, man, I heard that's that white boy from the roots won too many times. And he's like, they don't even know my name. He's like, I'm going to go create my own music. So he, he's like, I'm going to create my own music through the roots he had met Dr. Dre. So he goes and hangs out with Dr. Dre. And Dre's like, you know, this guy's got talent. And so he, he makes some songs with Dr. Dre. And Dr. Dre at this time is the biggest producer in the world. He's the most high-end demand guy. So Scott Storch makes his \$100 million fortune, as he says, off the eating crumbs at the end of the table. So basically,

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Dre would get a project and he's like really picky. He's like, I'm not going to do just anything. He's like, so he would just take all of Dr. Dre's reject projects and do them himself and made \$100 million doing that.

Dude, how good is Dr. Dre, by the way, the fact that like when Eminem came around, you know, he raps about it. He's like, you walked in with the yellow jumpsuit and you're a white guy and everyone's like, dude, you can't, you can't play with this guy. What are you, white rappers? That's ridiculous. If you Google Scott Storch, my wife from Long Island. So I've got no bunch of Long Island people. This guy looks like there's the Long Island medium and then there's Scott Storch in terms of like, in like the way that they look in terms of stereotypes. He looks like the most Long Island guy ever wearing like Ed Hardy t-shirts and true religion jeans.

And Dr. Dre like sees past that and like sees talent. That's pretty amazing.

Exactly. And he even says that he's like, Dre's number one skill. He's like, he's very technically talented, but his skill is he can hear 10 things and he'll tell you which one is hot.

And he's like, we'll play the same thing five different times. And he's like, number four is the one that sounds the best. And he's like, Dre just has that ear for what's good and what's hot, what's next and what's different, what's unique, what's singular, what's going to stand out. He's like, I never had that to that extent. He's like, but you know, I was good. I was able to get good enough where I could still make, you know, hundreds of hits. He would get paid 100 grand to do a single track and he would do 10 a week. And when, and you know, in his prime, that's what he was doing. That's how he was making his money. So he's like, dude, I'm just rolling in money here. And then he stopped working. He's like, I'm just going to party now. He's like, the problem was like, I was spending like I was still making money, but I stopped working three years ago. And I was just spending money like crazy. And yeah, this guy's, so here's some quotes, I'd like to read you. Okay. On blowing a hundred million dollars quote, it happens. When you talk about blowing a hundred million, I know cats that blew double that. That's a second response. It can happen to anyone. I don't think it can happen to anyone. And then he says, he says, you know, I grew up a poor kid and then all of a sudden I have infinite money. I have no infinite options. And I just didn't know how to say no. So then he, they were asking about, like, you know, how do you make a hit song? He just goes, like, you know, in the real estate game, it's location, location, location. And the music game, it's melody, melody, melody. He goes, it's melody, melody, melody. If you can make a memorable melody, that's, that's what it takes to make a hit song. And that's what I focused on being able to do. So yeah, this guy's got Sorge as a prolific character. Well, he'll be back. I mean, I feel like if you have that skill, you can make it work for, you can make it work for a while, right? I mean, it's just, it's very similar to marketing. It's, it's like, if you understand what motivates people and get some, get, get some to act, whether it's dancing or buying something, you'll come back. Have you ever met these guys like, like there'll be guys like, oh man, I just, I got a hold of all these old rookie cards for this baseball player who's about to die. We should like go and buy all of them for 50 grand and like hold on to them for three weeks and then resell more. I just got this old like, you know, supply of like DVD players. It's only 50 grand. Like they're always into schemes. Like I always meet these guys who like love these schemes. Every once in a while, it works out. And this is like a guy, Scott Stewart, who's like, you'll meet this guy. You're like, dude, you're an idiot. No way that's going to work. Like quit trying to scan me. This is one of

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those guys who's made it work. You know, another guy who did it that way was the Dollar Shave Club

guy. You know, it actually, Dollar Shave Club came to be a thing because he like saw a discount on like a container of like cheap razors. And he's like, I'll just buy these. Oh, wow. Yeah. He's like, let's just get this cheap razors and just figure out how to sell them. I don't know how we're going to do it. I think his father-in-law like had a deal on like 50,000 razors. And he's like, screw it. Let's just do it. I've met a bunch of these people like this. For some reason, it's always a Long Island thing, by the way. And Scott Stewart is a, for everyone out there who's just scheming on these types of like weird, weird things. This is your hero.

You know what I'm talking about? You ever meet these guys and they always have some weird hustle going down here. I was one of those guys. Counting cars. We're trying to win the monopoly game at McDonald's. You know, we are entering contests. We realized that most people don't enter contests if there's any work. So like, my buddy Dan was amazing at this. I actually wrote him off and then later learned this guy's a genius. He, freshman year, this guy lives three doors down from me. And we're like, yo, we're going to go get food. And then like, we're like, who are you waiting for? Where's Dan? And we like go to his don't, we'll go into his room. We're like, Dan, let's go, man. We're supposed to, we're hungry. He's like, oh, hold on. The deadline for this contest is in like 30 minutes. I got to, I'm out. And I'm like, what contest? Why are you going to do a contest? And like, Duke is full of like kids who play by the book. And Dan never really played by the book. He was like, he had his own little book that he was playing in. And so, you know, he's like, oh, this is Stride Gum. Stride Gum will give you free gum for life if you can make a commercial for like a 22nd commercial that's like cool for Stride Gum. So he took a little like flip cam. Like it wasn't even smartphones back then. He took one of those flip cams. And he basically like filmed this commercial of himself in his dorm room being like, whatever, Stride Gum, the best goddamn gum in the world, right? He's like doing this commercial. He submits it. He's probably one of three people that actually like read the fine print, submitted it and did the work to submit a commercial with that, that filled in all the things. And guess what? Stride Gum for everybody for the rest of college, right? We had free Stride Gum for really he won. He did another one. He's like, wait, what type of package did the gum come in? What's gum forever? Like, he could just order an infinite amount basically. Like you could just keep ordering by some limits. They needed another one for this sandwich shop called Spicy Pickle. They're like, hey, we're renaming our mascot. And of course, Dan's over there trying to rename the mascot. I'm like, Dan, do you even like this restaurant? He's like, no, but I want to win. And I'm like, you know, he's like the definition of like place to be games win stupid prizes. But he has so much goddamn fun doing it that you're like, I kind of wish I was doing this like Dan. And so he renamed. So the mascot currently for Spicy Pickle is a pickle who's a spy called spy, the letter C pickle. And he's got a business card and he's a spy that will help you out. And that's Dan Dan created that character. And then we go, we go to like the ceremony at a spicy pickle headquarters. And they're like 20 people in a circle cheering clapping for him. And they hand him a big check that says like three sandwiches. And he wins. And so he just kept doing these things. Dan's from Jersey. And, and I feel like he just always had this thing, which was like, I'm going to win, like I'm going to play these like, I'm going to find these random edges. And I'm going to win, like I'm going to just find these little arbitrages and I'm going to just constantly exploit them. Dude, we should do an episode on this because have you read about the guy who did it with

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snack pack, like putting cups? No, you remember, you know, like putting, okay, so they ran this contest that says like, I forget exactly how the contest worked. But you could like, if you pulled off the tops of the pudding and like lick it, it like said, like you won this much in free airline miles. And there was like some contest around it. But this guy did the math where I'm just, I just had to Google it now to remember exactly, but he only had to buy, I think \$3,500 worth of pudding, which is like a significant amount in terms of like how much space it would take up in your room. And he like had all this pudding and he peeled all the packs, and he was able to redeem it for 1.2 million miles, airline miles. And he like gained the contest. And there's like, we at the hustle, we used to do this of people like gaming these contests, there's like a bunch of people, there's this community of people who go and find these contests, and they're like, all right, where did they make the mistake? Where if you follow this exactly, you could actually like milk it hardcore to the extreme. And there was a guy who did this with pudding. So he basically, it was, it was basically, you get a thousand miles for every 10 labels. And the, because the whole thing was like, for some reason, this pudding is supposed to be healthy. And so they said, if you eat a lot of it, it's good for you, and we're going to reward you by giving you a thousand miles for every 10 labels. And so there was \$2 a piece, he figured out that he could buy them in bulk. And he's like, here's this arbitrage where it's profitable. And he did that where he got 1.2 million miles for \$3,100. Wow. There's a Netflix show about this, about about a different version of this. There was some guy trying to do this with a, I think he had to buy Kansas Pepsi or something like that or Coke or something to do air live. There's some show, I haven't, I haven't watched it yet, but I saw it show up on, on, on Netflix.

Yeah, then there's the McDonald's one, there's a McDonald's one too, where they, where they like, those just a scam, they just, they scammed it. Yes, but it is fascinating. I do like reading about those. They're always fun stories. We should, one of these days, walk through an episode of all these people who have just gained the system. We used to do that, the hustle all the time where we would give, I forget what it was. It was like one email subscriber to us was worth \$10. And if you referred like 10 people, we would send you a t-shirt, which was a profitable thing for us. And if you Google the hustle affiliate contest, all of these moms have, there was mostly like a stay at home mom website, and it's called like coupon dash or like some of the, all these websites where it's just people who enter contests. And they're like, Hey, look, here's another one. You can win a free pair of socks. If you refer 50 people, and it was like referral, like rings, and we would get all of these people doing this. And we, and we would catch this. And we're like, why is like this, like a 38 year old woman named Cindy winning all of our prizes? We've never heard of her. She's won all this stuff. What's going on? And you like, can figure out that they list your contests on these websites. And they game it like crazy. It's a pretty wild thing. So we had to create like a double opt-in system because they just figured out they're like, you see them talking about like, look, you don't even need to opt in your emails. You can just write like Sean plus one at aol.com, Sean plus two at aol.com. And you just win. And so that's when we had to change it. But like, I, that's how I learned a little bit about this underground world of like sweepstakes. They call it. Yeah. Yeah. Sweepstake hackers. Amazing. All right. Should we wrap it there or do you want to do it anymore of these? We'll wrap it there. So I think the order of greatness, the least interesting one, I think it was either mine or the hot couple, the second, the perfect couple. We have to put the perfect couple down there because they've been winning at everything their whole life. Yeah, it'll go perfect. The perfect couple is

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the worst. The podcast really does feature sort of like ugly winners. The sort of like more ugly and like, you know, slightly shady you are the higher you seem to rank on my first million. I don't know if that's intentional or unintentional, but it's definitely happens. Yeah. So the hot people, they're your last. And then we'll go Robert Earl. And then the one above that is Scott Storch is going to go number two, Guthrie Ranker, number one, the juiciest. But Scott Storch is interesting too, but Guthrie Raker, I think there's more to learn. Right. So that's it. That's the pod. Bye.