



# Streetlight Confidential

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## Delivering Real Security in the Face of a Failing Energy Grid Plus An Exclusive Opportunity for 56x Gains



-by Bob Byrne

The opportunity I'm about to share with you isn't something I had on my radar. I've known about the company for over a year, and I've had the privilege of spending a considerable amount of time with the Chief Executive Officer (CEO) and Chief Strategy Officer (CSO), getting to know them as businessmen and as operators.

But up until about six weeks ago, I didn't expect the door to open to new investors for quite some time.

Now, this company is unlike any other I've come across for two reasons.

The first is that it's leveraging an *emerging megatrend* to generate demand for its product in a way I've never seen. Within the next two years, this company has the potential to grow its sales by more than 5,000%!

I've seen the company's numbers and letters of intent (LOIs) from current and prospective customers — they're as legit as they are transformative for this tiny startup.

I'll lay out all the numbers for you in a few minutes, but you should know that if this company executes the way I believe it can, its valuation could explode from around \$53 million today to more than one billion dollars over the next couple of years. And that's only the beginning. The best comparison to this tiny, \$53 million company is traded on the Nasdaq and is worth around \$30 billion.

I'll share with you how they intend to get there in this report.

The second reason is that a new regulation was passed by the world's fifth-largest economy on December 15, 2022, and has created an insatiable demand for this company's products. The mandate came out of left field and caught everyone so off-guard that this company has decided to raise money to kick manufacturing into high gear.

This deal is a 506(c) Regulation D offering which means only accredited investors can get in. I'll explain all that and more in this report.

For now, let's get started on the tiny California-based company that's about to take off.

## An Aging and Vulnerable Grid Buckles

After moving to Park City, Utah, with my family, I received an invitation from the HOA to join the neighborhood's architecture control committee — the ACC. Despite not being an architect or related building professional, I accepted the offer as a way to get to know the neighbors.

During my time on the ACC, I discovered two things.

The first is how incredibly inefficient HOAs are. And the second is how eager homeowners are to replace grid-based electricity with solar technology.

I was blown away by how many residents submitted requests to place solar panels on their roofs. By 2016 or 2017, two out of every three homeowner submissions were for some form of solar.

Looking back, it all makes perfect sense.

The news over the past few years has shown us the weaknesses of the aging electric grid in the U.S., leading people to explore alternative energy sources for their homes and businesses.

With the increase in severe weather events and the associated electrical outages, it's become even more pressing.

For example, Hurricane Matthew caused power outages for 1.6 million people in Florida, South Carolina, and Georgia. And Hurricane Irma left 7.65 million people in those same states without electricity for over a week.



And how about the 2021 Big Freeze in Texas?

In mid-February 2021, Texas was struck by a severe winter storm. In a state known for winter days that are so pleasant you can be poolside with a margarita, residents were crushed by heavy snowfall and temperatures dipping close to zero.

The devastating winter freeze of 2021 that covered Texas in ice and snow for several days left nearly 10 million people without power. In a shocking report titled "The Graveyard Doesn't Lie," private experts estimate that the mid-winter grid failure resulted in the deaths of over 700 people.



Much of my extended family lives in and around Austin and Central Texas. And while most of them lost power for close to a week, no one died. Suffice it to say the 2021 Big Freeze in Texas hit too close to home.

Here we are, two years later, and I just heard from my sister that my parents are on day two of no power after yet another frigid ice storm hammered Texas!

Look, I could go on and on with hundreds of examples. Superstorm Sandy in 2012 led to 117 deaths, blackouts in Puerto Rico after Hurricane Maria may have contributed to more than 4,000 deaths, and who can forget the damage done to the grid and the resulting suffering caused by Hurricane Katrina?

An alternative and independent source of energy can not only give you peace of mind during an inconvenient power outage... it could literally save your life.

Horrific weather events aside, there's an emerging megatrend in the number of Americans actively searching for a way to achieve energy security. And thanks to a dire assessment by the North American Electric Reliability Corp (NERC) in May 2022 regarding the state of the U.S. power grid, folks looking to secure their energy away from the grid are as motivated as ever to find an alternative energy storage solution.

## The Greatest Wealth-Building Invention of All Time

While researching the company I'm about to introduce to you, I encountered an unexpected challenge.

Talking about the crumbling electric grid and peeling back the various layers of the emerging megatrend among Americans on a crusade to take control of their energy security is a challenge. Here's why.

For most Americans the grid works... most of the time.

As I write this, the lights in my office are on, the power to my computer is intact, and coffee is brewing in my kitchen. And tomorrow morning and the next will most likely be just the same.

Because of this, we tend to take for granted that the lights will come on again tomorrow just like they did today. But sometimes, and for some people, they don't.

Grid failures, power outages, and brownouts are becoming more and more common. And Americans across the country are taking notice and deciding to do something about it.

Wide distribution of electricity could be argued to be the single greatest wealth-building invention of all time. We are completely dependent upon it for everything in modern life.

Without it, we'd plunge back into the 19th century in an instant.

## A Sobering Nationwide Warning

The North American Electric Reliability Corporation (NERC) isn't a political action committee, they aren't interested in selling you a wind turbine, and they're not here to repair the out-of-date electric grid.

NERC is a not-for-profit international regulatory authority whose goal is to "assure the effective and efficient reduction of risks to the reliability and security of the electric grid."

In simple terms, NERC is here to make sure the lights turn on when you flip a switch.

Unfortunately, when the folks at NERC issued their 2022 Summer Reliability Assessment in May, we learned that places in the Midwest, California, and

Texas might not have enough power as temperatures rise and residents power up their air conditioners.

On May 6, 2022, California energy officials issued a sobering forecast for the state's electrical grid, saying it lacked sufficient capacity to keep the lights on throughout the summer and beyond.

The state's energy officials went on to say that extreme drought, wildfires, and other strains on the grid could leave between 1 million and 4 million people without power on a rolling basis.

I have a handful of friends scattered up and down the California coastline, and they've shared the all too frequent stories of how they suffer through brownouts on a regular basis. Suffice it to say the state of California's grid demands that emergency action be taken.

But don't take my word for it. Here's what Laura Benschoff of the nonprofit media organization NPR said: much of the country west of Ohio will experience blackouts during the summer due to the dilapidated condition of the nation's electric grid.

John Moura, who works with NERC, added this:

*"Things do not look good. The grid operator may not have enough energy to meet normal summer peak demand in the Midwest, where the picture looks the worst, especially in Illinois, Indiana, Missouri, and Michigan."*

John called NERC's Summer Reliability Assessment a very sobering report, with clear signs that risks are spreading.

Todd Hillman, Vice President of the Midwest grid operator, echoed John's sentiment by comparing the current grid situation to driving with just a tiny bit of gas in your tank.

I won't outline all the risks highlighted by NERC's reliability report, but I think you get the point.

Between dry hydrological conditions across the west, extreme peak demand, low wind, and high outage rates in Texas, the constant threat of Western wildfires, and drought conditions in the Missouri River Basin, grid-dependent Americans are facing a nightmare scenario.

## A Multi-Trillion-Dollar Opportunity

You weren't around when Thomas Edison flipped the switch, turning on America's first central power plant and the first electric grid in Lower Manhattan. Shoot, even your great-grandparents may not have been around in 1882.

All inventions, no matter how great, wear out and must be updated. And unfortunately, for those who rely on grid-provided power, updating the existing grid is no walk in the park.

Some estimates for upgrading the electrical grid top \$5 trillion dollars.

According to Goldman Sachs, transitioning to renewable energy infrastructure on a country-wide scale will require investment over the next 18 years of around \$16 trillion.

If you asked U.S. Energy Secretary Jennifer Granholm, that estimate shoots up to \$23 trillion.

And if you tap the folks at McKinsey & Company, whose job it is to advise companies on matters like this, they believe the U.S. is looking at an investment of an eye-popping \$225 trillion between now and 2050.

Late last year, President Joe Biden signed into law a \$1.7 trillion federal government spending package. Money is earmarked for everything from aid for Ukraine and emergency disaster assistance to overhauling the election vote-counting law and protections for pregnant workers.

We can debate the social value of the various carve outs in the legislation, but what isn't up for discussion is how damned long it took to jam that bill through Congress.

Our leaders in Washington can't agree on anything these days. So what do you think the odds are that the Democrats and Republicans will sit around a table and agree to a \$23 trillion fix for the nation's electric grid?

Exactly. It's never going to happen! So, it appears that fixing the electric grid on a nationwide basis is neither an economically or politically viable option. But that doesn't change the fact that something needs to happen to strengthen the backbone of the American economy and propel it forward.

Private enterprise, with reasonable government credits and incentives, must provide the solution.

And that solution to an aging and failing electric grid is the local adoption of energy storage solutions (ESS).

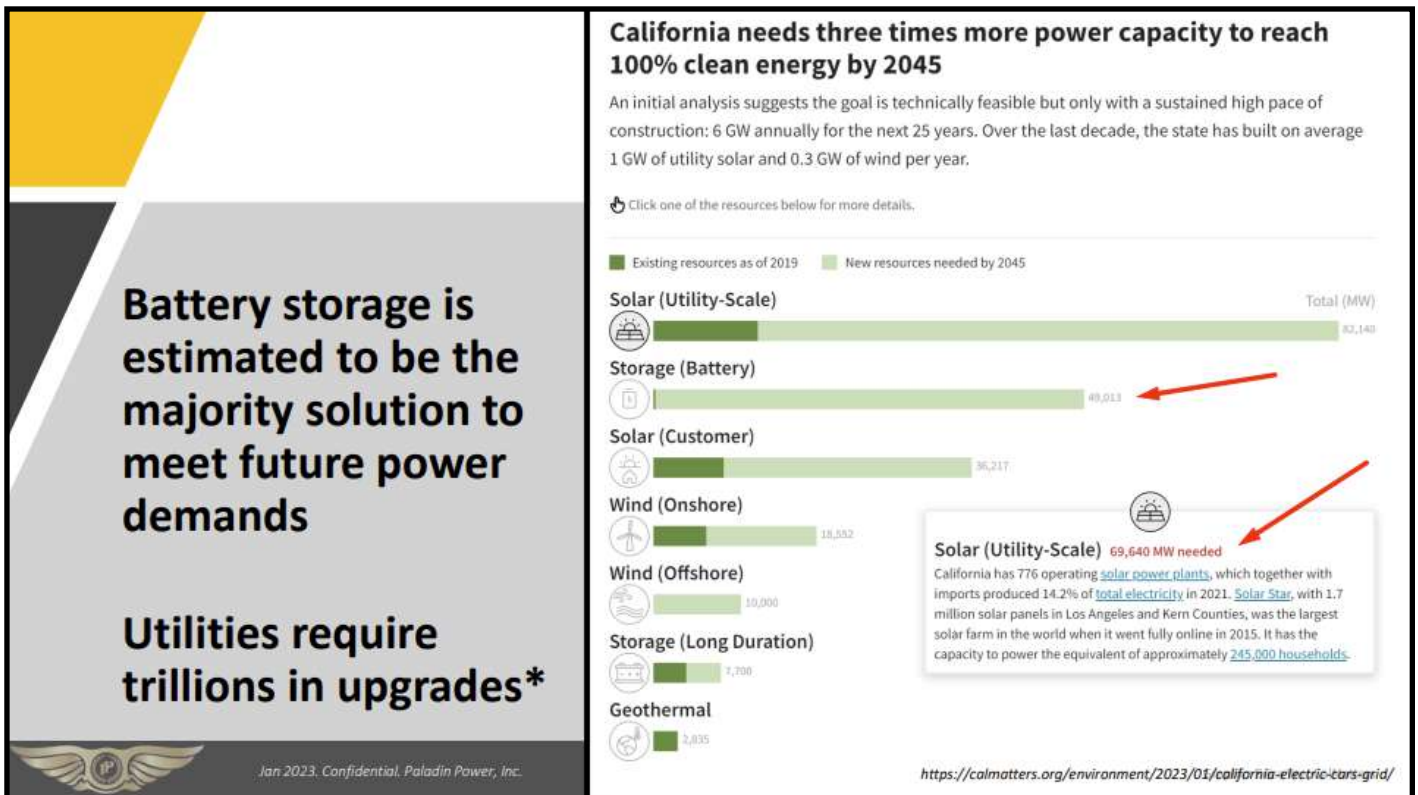
## Moving Away from the Grid

If you're unfamiliar with the term energy storage solution (ESS), it's just a fancy name for a system that efficiently stores energy. Think of it like a battery. But in this case, we're talking about a lot of batteries — a system that's powerful enough to run all the circuits in your house.

The wide-scale adoption of solar energy has been a good thing for this country. Of course the sun doesn't shine at night. And as we've seen with the increasingly frequent brownouts in California, energy is most in demand as the sun is setting and during the evening hours.

For solar, or any alternative energy system to be of meaningful value, we need to be able to *store the energy* so that it can be used during peak times.

California has, by any measure, installed the greatest capacity of solar power of any U.S. state. If you want to spot future trends in solar or energy storage, all you need to do is study what California is doing.



In 1996, California implemented something called a net energy metering program, or NEM, to encourage the diversification of renewable energy throughout the state.

Net metering (NEM) is a system where homeowners with solar panel systems can sell excess electricity back to the grid and receive credits for it on their utility bill. The credits can be used to offset the cost of electricity when the homeowner needs more than their panels generate — like at night when the sun isn't shining.

Since NEM was implemented, the economics of things like rooftop solar have dramatically improved, and the number of homeowners opting into NEM has ballooned. In fact, NEM participation grew so much that California is the hands-down largest user and beneficiary of solar energy.

But a problem with this program quickly became apparent — the times when the highest amount of solar power was produced did not coincide with the highest energy usage times.

More and more Californians were selling excess solar energy back to the grid during the day — when energy demand was typically lower — creating a supply glut that made the high rates utility companies were paying homeowners unsustainable.

And the utilities needed some way to rectify that.

So on December 15, 2022, when most Californians were more focused on the coming holidays than on their energy use, the California Public Utilities Commission (CPUC) passed a proposal that all but forces homeowners to purchase an energy storage system if they want to profit

from their spare energy the way they have been for the past five or ten years.

The decision to adopt what became known as NEM 3.0 sent a shockwave through the solar industry.

## California Unleashes The Great Battery Race

The new policy, which goes into effect in mid-April 2023, pays solar owners for their excess power at a substantially lower rate which is based on the cost of purchasing clean energy from other sources. The solar industry has argued this adjustment amounts to a 75% reduction in average payment rates, dramatically impacting the financial incentives for homeowners switching to solar power.

Said another way, starting in April 2023, if you have solar panels on your home in California, the income you receive from selling energy back to the grid during the day will drop by 75%.

Now, the government suddenly eliminating an incentive they offered so you would invest an additional \$25-\$30,000 in your home in the form of solar panels may sound a bit unfair — and it probably is. But the new program did offer a solution — *IF* homeowners have an energy storage system installed.

### DEMAND FOR ENERGY STORAGE

- **EV market**
  - By 2035, all new cars sold in California required to be EVs (15x growth)
- **Rising utility costs**
  - Residential rates recently increased 104% (PG&E) and 126% (SDG&E)
  - Residential rates are expected to at least double in California in 7 years
- **Regulations for lower carbon footprint**
  - California state law - all power to shift to renewables & battery by 2045
  - EVs will be at least 10% of all power peak consumption by 2030
- **NEM 3.0 – driving demand for residential battery storage**

You see, California's big challenge isn't so much *generating* electricity, but rather storing it and using it effectively. The new NEM aims to incentivize homeowners to pair solar with a powerful ESS thereby essentially decentralizing energy storage for the grid and letting you sell energy back to the state during the evening hours when there is more demand.

This should benefit everybody.

According to solar experts in California, the new energy export rates under NEM 3.0 can reach as high as \$3.32 per kWh BUT only during peak demand hours which tend to fall between 4pm and 10pm.

Analytical findings indicate that the return on investment for solar panels combined with battery storage will be comparable to that of solar panels alone. This makes the combination of solar and battery even more appealing as it provides the same return on investment and the added benefits of backup power during power outages.

Moreover, there will be an additional \$900 million in funding available for the Self Generation Incentive Program (SGIP) starting July 1, 2023, which offers rebates for battery storage for customers of SCE, PG&E, SDG&E, and SoCalGas. This is in addition to the existing 30% federal tax credit.

California has been the trendsetter in solar and alternative energy for years. And with the state's adoption of NEM 3.0, the rooftop solar industry has received an important message — If you haven't yet partnered with an energy storage system provider, you better get moving!

## The Rush to Add Energy Storage to Rooftop Solar

Based on my research, most homeowners purchase energy storage solutions from Tesla, SolarEdge, Generac, or Enphase.

As you've probably guessed, the Tesla system, called a Powerwall, is the unit homeowners ask for most because, frankly, the company's done a great job advertising it. Unfortunately, the Powerwall is incredibly underpowered. So much so that it can only run a fraction of the circuits in your house.

### COMPETITOR COMPARISON

Product Comparison	Battery Output (KWh)	Continuous Output (KW)	Max Surge Output (KW)	Product Warranty	All-In-One System	Off Grid Back-up	Circuits Powered
Paladin Power - SB24	24	21	38	20 Years	Yes	Yes	35+
Paladin Power - SB48	48	21	38	20 Years	Yes	Yes	35+
Tesla	13.5	3.875	7	10 Years	No	No	3-5
Sol-Ark	N/A	12	24	10 Years	No	No	18
Sonnen	16	8	12	10 Years	No	No	4-8
LG Chem	9.8	5	7	10 Years	No	No	2-5
Pika/Generac	17	6.7	10	10 Years	No	No	3-7
Enphase	10	3.84	5.76	10 Years	No	No	3-5
ElectricIQ	26	5.5	7.5	10 Years	No	No	2-6

Remember all those horrible storms that knocked out electricity for millions of residents after hurricanes, winter storms, and wildfires? In all those cases, a homeowner with a single Tesla Powerwall would have had to choose between just a few items in their home to have enough power to operate. And in nearly every case, it would be impossible to use the Powerwall to operate the HVAC system alone!

And, a homeowner operating a single SolarEdge or Generac system will encounter the same issue as the Powerwall user.

What's the point of spending tens of thousands of dollars for an ESS only to find out all it can do is turn the lights on and maybe operate the toaster?

Homeowners need their lights, refrigerator, HVAC, water heaters, and ovens to work! A partial solution is simply a giant waste of time and money.

Based on my discussion with an established ESS installer, one of the only systems that can even come close to running an average American household is the one sold by Enphase. Unfortunately, these units are inefficient, wildly complicated, and require three or four men over the course of a week to install.

The bottom line is that while most Californians need an ESS as the grid becomes less reliable and to benefit from NEM 3.0, most currently available options are inefficient, underpowered, and a MAJOR project to install.

This emerging megatrend of American homeowners and businesses needing a reliable and robust ESS is why I'm writing today.

Headquartered in Perris, California, I'm thrilled to introduce you to Paladin Power, the company responsible for creating, manufacturing, and selling the Stackbatt energy storage solution capable of running residential homes and office buildings.

## Introducing Paladin Power

Unknown to most people outside of the energy storage market in California, Paladin Power was conceptualized by Chief Executive Officer (CEO) and Founder Ted W. Thomas in 2019 and established in 2022.

I'll share Ted's resume with you in a moment, but you should know that while Paladin was only established in 2022, Ted has been involved in selling, installing, and engineering energy storage solutions (ESS) since 2016.

He knows what it takes to create an ESS that can power your entire home or business. And after acquiring and protecting the necessary intellectual property, Ted created the Paladin Power "Stackbatt" system — a proprietary energy storage system capable of providing continuous power to every light switch, TV, appliance, and electric vehicle in most American homes.

Ted's goal is simple.

He wants to grow Paladin Power into the No.1 best-selling ESS in America by empowering homeowners, commercial building managers, and small, medium, and large-sized business owners to secure all their energy needs away from the failing U.S. electric grid.

I've seen the Paladin Power Stackbatt in action.

I watched as it powered a luxury home without pulling any energy from the grid. And I can tell you that based on my discussion with the homeowner, who also uses the Paladin ESS at his business, anyone in America that wants to stop

## CORPORATE HISTORY

- **Corporation restructured in 2022**
- **Series A: \$5M+ (2022)**
  - Acquired inverter IP
  - Began manufacturing & sales
  - SGIP approved (California program)
  - Credit Key, GoodLeap & other financing partners
- **Series B and C: \$80M+ - Q2/Q3 2023**
- **Series D: TBD - Public Financing - 2024**

California SGIP Approved:





using the crumbling and unreliable power grid as their primary power source is free to do so by getting their hands on one of Paladin's Stackbatt systems.

Now that the introductions are done, let's dig deeper into the company.

## Rock Solid Fundamentals

Anytime we analyze a company's fundamentals, we need to start by understanding the industry it's in.

For example, suppose we're considering investing in a biotech company. In that case, we're looking at how much debt the company has taken on, its cash needs to complete FDA trials, and whether it has any significant strategic partners.

And suppose we're digging into a tech company operating a Software as a Service (SaaS) model. In that case, we'll focus on the company's recurring revenue, dollar-based retention rate, and revenue growth.

Paladin Power aims to be the industry leader in whole-home energy storage systems. But more critically, Paladin is a hyper-growth company focused on developing its manufacturing and supply chain to fulfill its growing book of LOIs.

Ted established Paladin in 2022, and shortly after, the company raised \$5 million in a series A round. While the company only installed a small number of units in 2022, the company had LOIs for around 3,000 units at the time of the series A funding. Since then, the number has ballooned to 12K — and it's growing as new installers learn about the product.

Solar installers across the state are scrambling to find ESS partners. Like I've explained, solar alone won't cut it in the new NEM 3.0 environment. And because of that, Paladin's phones have been ringing off the hook since the December 15th announcement with requests to test their product.

And these units are not cheap. They wholesale for \$18,000 to \$35,000 each. If Paladin is able to produce and sell 1,000 per month (which is what they have in their existing LOIs), that's \$18 to \$35 million *per month* in revenue.

If Paladin were publicly traded and could fulfill its present book of LOIs, we wouldn't be talking about investing in a company at a \$53.3 million valuation. We'd be looking at a valuation somewhere around one billion dollars.

Frankly, the most significant risk you face as an investor in Paladin isn't that demand will wane. California and net energy metering 3.0 has essentially guaranteed ESS demand for years to come.

The most daunting challenge hanging over Paladin is securing its supply chain and manufacturing process.

As far as fundamentals go for a young start-up company, Paladin already possesses the two critical ingredients for success — a product everyone wants and a management team willing to walk through fire to succeed.

Paladin isn't saddled with bad debt, loads of convertible debt, or a bloated share structure. However, to have a shot at growing to its full potential, this company needs an influx of cash to support the next stage of its manufacturing and product build-out.

## An Expert Management Team

As important as access to capital is to the growth and success of a company, it's impossible to overstate how crucial it is to have a top-notch team running the day-to-day operation.

While delivering his comments to Berkshire Hathaway investors in his company's 1994 annual shareholder meeting, The Oracle of Omaha, Warren

Buffett said this about a company's management team:

*"I think you judge management by two yardsticks. Look at what they (the team) have accomplished, considering what the hand was that they were dealt when they took over compared to what is going on in the industry. And second, you want to figure out how well they (management) treat their shareholders."*

Put another way, determine how well the CEO and management team allocate money and manage day-to-day operations. And from there, how well the CEO treats their shareholders.



Paladin CEO Ted Thomas spent several years developing successful real estate projects ranging from single-family housing developments, speculative and custom construction projects, and apartments within the

greater Seattle downtown area. Afterward, Ted spent nearly a decade as a senior loan officer.

From there, he created Home Energy USA to facilitate the distribution and marketing of advanced renewable energy products, such as solar, wind, and advanced lithium batteries, to dealers and the public.

Ted moved on from Home Energy USA in 2019 to create what is now known as Paladin Power. And with his unique expertise in lithium battery chemistry, advanced bussing systems, and stackable inverters, Ted successfully created a turn-key energy storage solution capable of powering an entire home or business.

Chief Strategy Officer Derek Cahill is working in tandem with Ted to grow Paladin into the Nation's premier energy storage company.



Derek is the founder and CEO of GoBig, a consulting firm working with Fortune 1000 and startup companies on operational efficiencies in the areas of capital markets strategies, technology transformation, and product

marketing.

While Derek and Ted are the two executives I interfaced with the most during my due diligence, it's worth noting that Ted recently hired Brett Bergeron to lead Paladin's sales team. And while I expect to sit down with Brett in about two weeks when I attend the Intersolar North America and Energy Storage show in Long Beach California, from what Ted has told me, Brett's developed personal relationships with countless ESS and solar installers up and down the California coastline, and is an invaluable addition to Paladin's team.

## Major Market Advantages

Paladin Power's proprietary energy storage solution is called Stackbatt. And Stackbatt's advantages over other ESS products have set Paladin Power on a path to becoming the leading player in the global \$211 billion energy storage systems market.

### Advantage #1: Easy Installation

Having never installed an ESS system myself, I called Kirk Lessley, the general manager of Solar Pros in Southern California, to get the full rundown of what's involved in implementing an energy storage system.

Kirk walked me through the installation process for a typical energy storage system from Tesla, Enphase, or SolarEdge and then compared the process to the one required for the Stackbatt.

According to Kirk, installing a typical ESS from any one of the industry leaders requires between three

and four men. And install times can take a week or longer.

That's three or four installers taking 5 days - or more - to complete an installation.

I did a little digging and discovered that the first Tesla Powerwall system weighed in at 214 pounds. And the second generation unit weighs *over 250 pounds*.

Considering that these systems are often mounted high off the floor on a wall, you understand why several grown men are required to complete installation.

When I asked Kirk about the Paladin Power system, he said the following (my emphasis)...

*“Just one of my installers can deliver, wire, and fully install between **three and five Stackbatt systems** in a single day.”*

The Stackbatt system is delivered in a self-contained, rectangular box and can be moved from the bed of a truck into a utility room by a single person. From there, the ESS has only two connections — in-from-grid and out-to-load.

As part of my due diligence, I asked Ted to arrange a time for me to visit one of his customers who had a



Paladin Stackbatt unit installed and was powering his home 100% off-grid.

The picture you see above is Ted standing next to the Stackbatt. The ESS housing is approximately 28" wide x 23" deep x 72" high. It looks like a stainless refrigerator.

This is a key advantage that sets Paladin apart from every other competitor.

Think about it... If you run a solar installation company, would you rather install a handful of Paladin Stackbatts every day, or have a handful of your installers stuck at a single customer's home installing a single Enphase or Powerwall system for an entire week?

## PALADIN SOLVES KEY MARKET ISSUES

### • Homeowners

- High cost per circuit to power entire home
- Rising cost of electricity
- Many competing solutions are sold as whole home backup, when only a few circuits are actually powered
- Unable to run appliances, AC, heaters, EVs during power outage
- Warranty is 10 years vs. 20 years for Paladin

### • Solar Installers

- Difficult to install and heavy equipment
- No one offers a true off-grid solution
- Mobile app that can centrally manage all installs
- NEM 3.0 solution

And since Paladin sells to solar installation companies, not directly to consumers, *just one sale could mean thousands of units sold and millions of dollars in revenue.*

Kirk summed up his opinion of the Paladin system like this...

*"The Stackbatt system is not only better built and more powerful than other systems on the market, but because it's so easy to install, contractors recommend the Paladin ESS over other systems because they aren't tying up three or four men for a week or more at a single job site."*

When Kirk says the Paladin system is easy to install, he's not kidding.

When Ted unclips the top panel of the Stackbatt reveals two elements of the power supply — a bunch of wires and the inverters beneath them.



When anyone that isn't an electrician sees wires, they tend to get nervous.

But this system is incredibly simple to set up. There is a line-in area, which would come from either your rooftop solar or the grid, and a line-out area, which connects to your main electric panel that houses your home's circuits.

The simplicity of the Stackbatt is as attractive as its stainless casing.

After walking me through the wiring and inverter housing, Ted unclipped the bottom panel and exposed the lithium batteries.



The circuit boards on the front of the batteries make the ESS look more complicated than it is.

Ease of installation and technological advantages aside, Kirk was so impressed with the Paladin Stackbatt ESS that after purchasing and testing a unit, he immediately contacted the company and asked to become an investor in the company.

Remember, Kirk is an insider in the ESS industry. He has a first-hand understanding of all the energy storage solutions produced by the industry's leading companies. The fact that he decided to invest his own money in Paladin after testing the product is as

big an endorsement of the company and its product as you can ask for.

### Advantage #2: Scalable To Any Size

The Stackbatt system is 100% scalable, making it the perfect solution for consumers and businesses that require additional energy storage.

Take a look at the images on the facing page, and you'll see what I mean.

When you open the panels on the Stackbatt you see components on top and on the bottom. The space on the top houses the inverters, and the area on the bottom holds the advanced lithium batteries. You can increase the capacity of your system by simply stacking additional inverters and batteries in your Stackbatt unit.

And because there's no wiring required for adding additional capacity, increasing the number of batteries in your Stackbatt is as simple as stacking legos on top of each other.

Literally, it's a plug-and-play system.

The bottom line is that Ted and his team at Paladin Power have revolutionized the energy storage solutions market with their launch of the Stackbatt ESS. And with the support and endorsement of installers and general contractors, Paladin has a clear path to industry domination.

### Advantage #3: California SGIP Approved

If you're not a California resident or knee-deep into the energy storage industry, you've probably never heard of the California Self-Generation Incentive Program (SGIP). But trust me when I tell you that being California SGIP-approved is a massive advantage.

Here's why.

SGIP is a state-run program that provides financial incentives to encourage the development and deployment of new and emerging clean energy technologies, including energy storage systems. The program is designed to support the growth of clean energy in California and reduce greenhouse gas emissions. SGIP provides rebates to eligible customers who install qualifying energy storage systems in their homes or businesses.

SGIP Public Equipment List - Integrated Systems				
(1) The Integrated Systems shaded this color are not capable of backup operation and cannot participate in the Equity Resiliency Budget or Opt-In to Resiliency Requirements (§ 4.113, 5.4.1.7, and 5.4.3.3 of the 2021 SGIP Handbook).				
Last Update: 1/23/2023				
Make	Model	SGIP-Verified Energy Storage Capacity (kWh AC)	SGIP-Verified Rated Capacity (kW AC)	SGIP-Verified System Duration (hours)
Paladin Power	SB24-PS247-10	19.925	10.000	1.990
Paladin Power	SB24-PS247-15	19.925	15.000	1.330
Paladin Power	SB24-PS247-5	19.925	5.000	3.990
Paladin Power	SB48-PS247-10	39.850	10.000	3.990
Paladin Power	SB48-PS247-15	39.850	15.000	2.660
Paladin Power	SB48-PS247-20	39.850	20.000	1.990
Paladin Power	SB48-PS247-25	39.850	25.000	1.590
Paladin Power	SB48-PS247-30	39.850	30.000	1.330
Paladin Power	SB48-PS247-5	39.850	5.000	7.970
Paladin Power	SB96-PS247-10	79.700	10.000	7.970
Paladin Power	SB96-PS247-15	79.700	15.000	5.310
Paladin Power	SB96-PS247-20	79.700	20.000	3.990
Paladin Power	SB96-PS247-25	79.700	25.000	3.190
Paladin Power	SB96-PS247-30	79.700	30.000	2.660
Paladin Power	SB96-PS247-5	79.700	5.000	15.940

While customers must qualify for the SGIP battery rebate program, you only need to meet one of the stated conditions. And from what I've learned speaking to installers in California, a significant percentage of residents can and do qualify.

While an ESS isn't required to power an entire house to be included in the SGIP public equipment list, when it comes time for a residential customer to make a purchase decision, and they want to power every circuit in their home, they're only going to purchase a unit that has been stamped with the State's SGIP approval.

You'll see some familiar companies on the SGIP site, like Enphase, Generac, LG, and Tesla.

And as of late last year, you will see Paladin Power listed too!

#### **Advantage #4: Assembled in America**

Ted began conceptualizing Paladin Power shortly before Covid sent global supply chains into complete disarray. And while few American businesses remain closed due to the pandemic, global supply chains are still recovering.

Building a business around a dysfunctional global supply chain is nearly impossible, and an inability to secure components is plaguing many of Paladin's competitors.

That's why Ted and his team assemble the Stackbatt ESS in America. And while Covid shutdowns and reopening screwed up countless supply chains across the world, Paladin is working toward manufacturing every component of the Stackbatt system in the U.S. as well.

This 'Made in America' approach is just one of the reasons why consumers trying to free themselves of the failing electric grid are turning to Paladin and why this company has an enormous backlog of LOIs for the Stackbatt system.



#### **A Massive Return Potential**

To appreciate Paladin's return potential, we need to discuss the company's building book of nonbinding letters of intent, or LOIs.

These nonbinding LOIs aren't sales, and cash hasn't changed hands. But for a tiny start-up company like Paladin, LOIs indicate how strong the sales pipeline is.

The numbers I am about to share with you are pretty outrageous.

But I've seen the LOIs firsthand. I've witnessed the product in action, delivering what Ted says it can. And I've spoken to the gentleman with a HUGE LOI for thousands of Paladin Stackbatt systems.

While Paladin is closing many more LOIs, for this valuation exercise, I am ONLY considering the LOIs that were signed as of early February 2023.

The company currently has LOIs for 12,000 units for 2023 and 24,000 for the first two years (implying for

2023 and 2024). For this discussion, I am only considering the 12,000 units for 2023.

While it will be nearly impossible for Ted and Derek to deliver all 12,000 units in 2023, Paladin has the potential to generate between \$216 million on the low end and as much as \$420 million on the high end.

For a startup that is raising capital at a \$53.3 million valuation, those numbers are huge.

But based on my research, it's only the beginning.

There is extraordinary demand for Paladin Stackbatt systems, and remember, I'm only considering sales in California.

Once the company's manufacturing and supply chain are sufficiently strong and it expands its operations, the revenue potential will explode into the billions.

Paladin Power is raising up to \$10 million at a pre-money valuation of \$53.3 million.

The two best public market comparables to Paladin are SolarEdge and Enphase. I could add Tesla to this exercise for its Powerwall, but we all know Tesla's valuation is derived primarily from the perceived value of its self-driving operating system.

SolarEdge is valued at around 6.5 times revenue, and Enphase trades at a multiple of around 17.5.

If we apply those same metrics to future revenue expectations on Paladin, but we only consider the company's lowest LOI potential for 2023, the \$216 million figure, we're looking at a \$1.4 billion company — based on the lower multiple — by this time next year!

A jump from \$53.3 million to \$1.4 billion is more than a 26x return!

You'll agree that a return like that seems too good to be true. But again, if the company can secure its manufacturing and supply chain, that type of return — and more — is very possible.

Oh, and just so we're on the same page...

If the public market were to award Paladin with the same multiple it gives to Enphase, and Paladin generates \$216 million in revenue, we'd be talking about a market cap of nearly \$3.8 billion! And that's an eye-popping 71x your investment.

Look, while I don't expect Paladin to deliver 12,000 units this year, I believe they can deliver that many and more in 2024.

Don't invest in Paladin for what it will deliver in the next eight or ten months. Invest for where this company will be in two or three years, which I believe will be well into the billions of dollars.

## No Research Stone Left Unturned

I quickly eliminate over 60% of potential private company prospects in just a few hours of work.

Sometimes, I can determine that a prospect is not a good fit within 30 minutes of an initial call. However, on average, I spend about four hours ensuring I haven't missed any critical information that requires further investigation.

I started learning about Paladin Power close to one year ago, around the time they were preparing for their series A round of financing. I quickly came to understand why the demand for an efficient way to store solar-generated energy was soaring.

I have friends up and down the West Coast, and while they haven't all been impacted by wildfires, nearly all of them have suffered through the infamous California brownouts. And most of them are either considering or already in the process of purchasing energy storage systems.

Ted and Derek have been generous with their time.

Whether it's spending three hours with me at IHOP on an early Saturday morning, joining me for a BBQ lunch to educate me on battery storage technology, or walking me through a customer's house near Temecula, California, they've always made themselves available to answer my questions and show me, step-by-step, where the company is headed, and how it will accomplish its goals.

The bottom line is that while I knew within a few in-person meetings that this is a company I wanted to introduce you to, it was the time spent developing my relationship over the past six months that convinced me that this team has what it takes to grow this company into a multi-billion-dollar industry giant.

## Deal Terms and How to Invest

Most of the private deals I consider writing about will be available to all sizes of investors, but this deal is a 506(c) Reg D offering.

When it comes to raising money, private companies have a few options.

They can do what's called a 506(b) or 506(c) Regulation D offering. There are a few things to differentiate the two types of Reg D offerings, but in a nutshell, they typically require an investor to be accredited.

An individual is an accredited investor if they:

1. Have earned income of more than \$200,000 (or \$300,000 with a spouse) **OR**
2. Have a net worth over \$1 million, either alone or together with a spouse (excluding the value of the person's primary residence and any loans secured by the residence).

[You can read more about investor accreditation here.](#)

Companies can also raise money via Regulation A+ (Reg A+) and Regulation Crowdfunding (Reg CF). Investors do not need to be accredited to participate in Reg A+ or Reg CF offerings.

I love Reg A+ and Reg CF offerings because they allow everyday investors like you and me to get our foot in the door before valuations reach the stratosphere and the Wall Street banks take control.

The vast majority of private equity opportunities I write about will be Reg A+ or Reg CF. That means anyone can move on them!

But, occasionally, there'll be an opportunity like this one, that is raising money via 506(c) Reg D, which means not everyone will qualify to get in.

If you do qualify, I recommend you consult with your financial professional to determine whether an investment in Paladin Power fits your investing profile.

This deal is live and is available on the Equifund platform. If you haven't used Equifund before, it's incredibly easy to use. If you are interested in investing in Paladin or want more material to review, check out [Equifund's website here](#).

As a reminder, if you encounter any difficulties navigating the Equifund website or the investment process, please reach out to Equifund's customer service. Neither Bob Byrne nor Streetlight Confidential are affiliated with Equifund or Paladin Power.

**Disclosure:** Bob Byrne owns shares of Paladin Power.



# You Can't Make This \$#!% Up!

## The First Amendment Takes a Day Off...

701 Constitution Avenue NW...

It's the address of the National Archives of the United States. And home to two of the most cherished documents in our entire country... the US Constitution and the Bill of Rights.

If your high school history is a little fuzzy, the Constitution was drafted in 1787 by the Constitutional Convention and ratified in 1789. But as with all efforts where starting a new country goes, things did not go entirely smoothly.

A group known as the Anti-Federalists wanted to guarantee individual rights not specifically laid out in the constitution. To appease them, the first US Congress drafted an addendum famously known as the Bill of Rights... 10 amendments finally ratified in 1789.

And heading up that list of amendments is the most famous of them all...

*Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.*

You'd think that in a building where these documents are enshrined, the rights they guarantee would be sacred.

Well, according to the Epoch Times, maybe not always...

THE EPOCH TIMES

SHARE 175

## National Archives Apologizes After Telling Visitors to Cover Pro-Life Clothes to See Bill of Rights



By Bill Pan

February 10, 2023

Updated: February 11, 2023

AA Print

According to the article:

*Wendilee Lassiter, a law student at evangelical Christian Liberty University in Virginia, was wearing a black sweatshirt that read: "I am the post-Roe Generation: Law Students for Life" when she visited the National Archives Museum with a group of fellow students. Two security guards approached her, saying that she was "disturbing the peace" because her sweatshirt "will incite others" and "cause a disturbance."*

*When Lassiter asked, "I can't come in here unless I take my sweatshirt off?" One security guard replied by stating: "No, you can't."*

Apparently the guards never read the docs they were guarding.

The National Archives issued a prompt apology.

Thankfully freedom still rings.

And here for your review is this month's portfolio...

Symbol	Name	Comments	Entry Date	Entry Price	Current Price	Annual Dividend	Percent Gain
FPI	Farmland Partners, Inc.	Buy shares of Farmland Partners (FPI) up to \$18 per share	9/2/2022	\$14.22	\$10.71	1.66%	-24.7%
VOO	The Vanguard S&P 500 ETF	Bear market portfolio: 20% position per the July 2022 Issue	7/5/2022	\$351.06	\$365.49	1.60%	4.1%
IJR	iShares Core S&P Small-Cap ETF	Bear market portfolio: 20% position per the July 2022 Issue	7/5/2022	\$93.35	\$102.94	1.89%	10.3%
VTV	The Vanguard Value ETF	Bear market portfolio: 20% position per the July 2022 Issue	7/5/2022	\$131.74	\$140.16	2.48%	6.4%
IUS	iShares S&P Small-Cap 600 Value ETF	Bear market portfolio: 20% position per the July 2022 Issue	7/5/2022	\$89.52	\$101.15	1.79%	13.0%
SCZ	iShares MSCI EAFE Small-Cap Index ETF	Bear market portfolio: 10% position per the July 2022 Issue	7/5/2022	\$53.43	\$59.42	4.72%	11.2%
VEA	The Vanguard FTSE Developed Markets ETF	Bear market portfolio: 10% position per the July 2022 Issue	7/5/2022	\$40.01	\$44.52	3.89%	11.3%
DOCN	DigitalOcean Holdings Inc.	Buy a half position up to \$60, reserving capital to purchase the remainder of your position on a dip.	6/2/2022	\$49.31	\$33.40	N/A	-32.3%
ONDS	Ondas Holdings Inc.	Buy a full position up to \$8.75	6/2/2022	\$7.55	\$1.83	N/A	-75.8%
WONDF	Wonderf! Technologies Inc.	Buy a half position up to \$0.60, reserving capital to add to the position on a pullback.	6/2/2022	\$0.45	\$0.12	N/A	-73.3%
VMAR	Vision Marine Technologies Inc.	Buy shares of VMAR up to \$5.45 as a speculative investment in the growth of electric powertrains in the boating industry. UP/DATE August 2022: Buy up to price was raised to \$6.50.	5/2/2022	\$4.27	\$4.25	N/A	-0.5%
U	Unity Software	Buy a 25% starter position between \$95 and \$99. Then scale into the remainder of the position adding another 25% every 15% to 20% down. †	2/3/2022	\$77.27	\$29.42	N/A	-61.9%
EPD	Enterprise Products Partners, L.P.	Buy shares of EPD up to \$23.00 as an income-generating investment.	12/1/2021	\$21.20	\$25.99	\$1.86	22.6%
ARKX	ARK Space Exploration & Innovation ETF	Buy shares of ARKX up to \$22.00	11/1/2021	\$20.48	\$13.98	N/A	-31.7%
MSOS	AdvisorShares Pure US Cannabis ETF	Buy shares of MSOS at market up to \$33. Be prepared to add to your position on a dip to \$27 ††	10/5/2021	\$28.95	\$6.78	N/A	-76.6%
GENI	Genius Sports Group	Buy shares of GENI up to \$22.50	10/5/2021	\$16.99	\$4.64	N/A	-72.7%
JD	JD.Com	Buy shares of JD.com (JD) up to \$80 per share	8/30/2021	\$76.69	\$47.07	N/A	-38.6%
CZR	Cesars Entertainment	Buy shares of CZR up to \$101.75	8/6/2021	\$90.50	\$52.26	N/A	-42.3%

Current Prices as of 3/2/2023

Price Notes:

Entry prices are closing prices the day the issue is published.

† Per our entry instructions a 25% position was initially purchased at \$96.99 on 2/3, then another on 3/7 at \$82.45, another on 4/27 at \$71.10, and a final on 5/6 at \$59.55 giving us an average entry price of \$77.27.

†† Adding an equal weight position at \$27 on 10/27 gives us an average entry price of \$28.95