

Voxtur Analytics Corp – This Company Went through Hell and Now is Ready to Shine



(VXTR, VXTRF)

Written by Mariusz Skonieczny of MicroCapExplosions.com

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INVESTMENT SUMMARY

Voxtur went through absolute hell over the last two years. At the top, the company had a market cap of nearly CAD \$1 billion and in February 2024, it had a market cap of CAD \$50 million. The stock was down 95 percent from the top. Today, the market cap is CAD \$100 million.

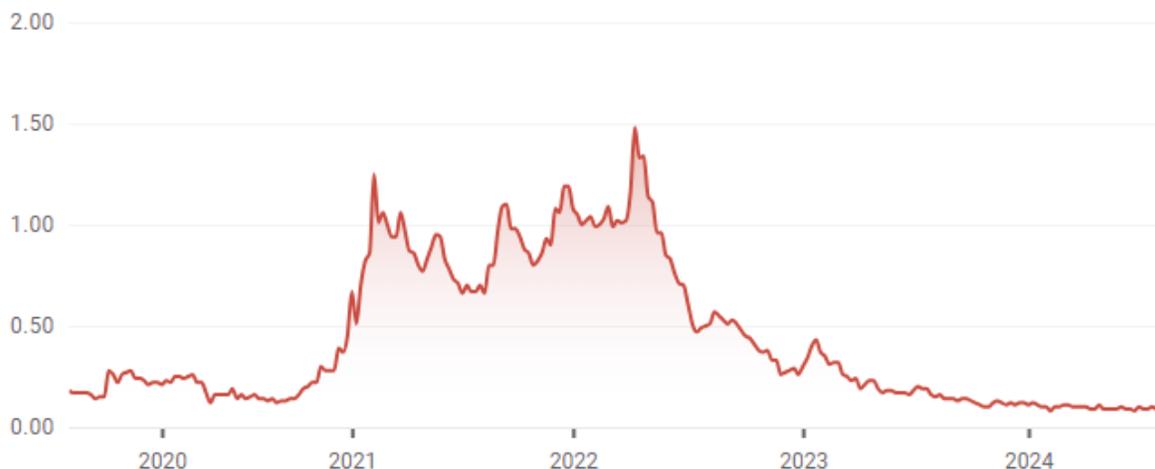
HOME > VXTR · CVE

Voxtur Analytics Corp

\$0.14 ↓ 25.00% -0.045 5Y

Aug 9, 5:40:00 PM UTC-4 · CAD · CVE · Disclaimer

1D 5D 1M 6M YTD 1Y 5Y MAX



What happened? I think a better question is what didn't happen? Everything that could have possibly gone wrong went wrong and some more. I kid you not. I have never seen anything even remotely close.

Because I don't want to bore you, I will just blame it on three things:

1. Interest rates
2. Lack of liquidity
3. Management mistakes

Voxtur is in real estate and the asset class that gets impacted the most by interest rates is real estate. When the Fed started raising interest rates, this had a huge negative impact on real estate. It practically froze the entire real estate market.

When interest rates went up, investors pulled their money out of risky assets and put trillions of dollars into high-yielding assets. Why risk money if you can get 7 percent on your money doing nothing? This had a huge negative impact on investor interest in stocks like Voxtur.

Finally, the management did some legendary dumb mistakes. The kind of stuff that happened with the previous CEO could be the subject of a book. You would not believe it, so I will just call it legendary.

The bottom line is that the three main things that caused all the pain are reversing. Interest rates are about to get cut. Mortgage rates are already coming down. Liquidity in risky assets is improving and when/if Voxtur uplists to the United States from TSXV, liquidity will improve even more. And on the management side, Gary Yeoman took over as CEO and cleaned house. He dramatically cut expenses and practically eliminated all the debt. The company is almost EBITDA positive. He is getting ready to hand over the CEO position to someone else.

When looking at any stock market investment, the first question that you should be asking yourself is how much can you lose and what is your margin of safety. Once you answer this, the upside is easy. Take care of the downside and the upside will take care of itself.

Hopefully, by reading this report, you will realize that the risk/reward ratio is very appealing.

Ok, let's get started.

BUSINESS DESCRIPTION

Voxtur is a real estate technology company that is disrupting the status quo. It is making real estate transactions faster, cheaper, and more efficient.

The business world is all about solving problems and providing benefits to others. Companies that solve problems or improve existing processes can create tremendous value for society and their shareholders.

Voxtur has five business units.

TITLE BUSINESS

Voxtur has a title agency business that generates approximately \$5 million of revenues per year.

	F23 Q3	F23 Q2	Change (\$)	Change (%)
Capital Markets	2,074	4,582	(2,508)	-55%
Valuation	2,859	3,010	(151)	-5%
Title	1,223	1,696	(473)	-28%
Data	1,942	1,314	628	48%
Property Tax	3,915	3,158	757	24%
Other	198	467	(269)	-58%
Total Revenue	12,211	14,227	(2,017)	-14%
Gross Margin	67%	66%		1%

Title insurance protects real estate owners and lenders against any property loss or damage caused by liens, encumbrances, or defects in the title to the property. Unlike health or car insurance, which have monthly payments, title insurance is a one-time premium payment that takes place at the closing of the real estate transaction.

There are two types of title insurance policies: lender's policy and owner's policy. The lender is not going to give you a mortgage if you don't buy the lender's policy to protect the lender. The buyer pays for the lender's policy. The seller usually pays for the owner's policy. But this can be negotiated.

There are three participants involved in title insurance: the Title Underwriter, the Title Agency, and the Settlement Agent.

The Title Underwriter directly underwrites and issues title insurance to buyers. Voxtur is not a Title Underwriter. There are four major American title underwriters: Fidelity National Mortgage, First American Corporation, Old Republic National Title Insurance Company, and Stewart Title Guaranty Company.

The Title Agency is a broker that represents the title underwriters. For example, Meridian Title Corporation is a title agency. A title agency writes a title policy before a title underwriter issues the insurance policy. Meridian Title can write the title policies for Fidelity, First American, or Stewart. There are hundreds of small title agencies throughout the US. They can represent multiple title underwriters.

Voxtur is a title agency with licenses across the country. Voxtur is the title agent for several underwriters. It can write title policies for all the four main underwriters.

The Settlement Agent is an entity that runs the closing process. The settlement agent can be independent or part of the title agency. Voxtur is also a Settlement Agent. Voxtur is both the title agency and settlement agent. Settlement agents ensure that all the correct papers are signed, payments are exchanged, and escrow funds are released.

On the real estate closing statement, there are many individual costs such as brokerage fees, appraisal fees, and closing costs.

Here are the costs related to title. This is how Voxtur generates its title revenues:

- Settlement Fee (\$500: Voxtur revenue)
- Search & Exam Fee (\$175: Voxtur revenue)
- Wire Fee (\$125: Voxtur revenue)
- Notary Fee (\$10: Voxtur revenue)
- Insurance Premium (\$1,500: 80 percent is Voxtur revenue, 20 percent to Underwriter)

Note: These fees differ depending on the loan amount and other factors.

Yes, the insurance premium is split with 80 percent going to the title agency and 20 percent going to the underwriter company. This is not a mistake.

Voxtur's title business has a huge upside and very few investors understand this. Voxtur used to be called iLookAbout. iLookAbout and Voxtur merged together in February 2021. iLookAbout was a public company while Voxtur was a private company owned by Jim Albertelli. The combined entity was renamed Voxtur and Jim Albertelli became the CEO. He is no longer the CEO. Gary Yeoman is the CEO. Very soon, Gary will turn the CEO role over to someone else.

By merging with Voxtur, iLookAbout gained a title business. The entire merged entity took on the name of Voxtur. The title business was 98 percent refinancing on foreclosures and defaults (not new home purchases). Before Covid, this business generated \$100 million of revenues and \$20 million of profits.

When Covid hit, this business was decimated for two main reasons. The government issued a moratorium on foreclosures and the Fed raised interest rates. The moratorium on foreclosures ensured that there were no foreclosures. When the Fed raised interest rates, people thought that real estate prices were going to collapse and that this would cause a lot of foreclosures. Well, the opposite happened. Due to the lack of sellers, real estate prices increased, and owners who were in trouble didn't need to foreclose. They had enough equity that they simply could simply sell their home instead of letting the banks foreclose on them.

Consequently, Voxtur had to pivot and rebuild its title business by making it less reliant on refinancing and diversifying it into new home purchases. This strategy also needed a refocus on who the clients were.

You see, in the title refinancing business in the foreclosure space, your clients are lenders. In the new purchases, your clients or the people you need to have a relationship with are the real estate agents. The real estate agents are working with buyers. Real estate agents are the ones that make the title decision. They are the ones that choose the title agency.

How can Voxtur reach them? Through Benutech. Voxtur acquired Benutech in December 2021. Benutech has a product called RoboGateway Pro that helps real estate agents get listings. This tool is amazing. Check out their website.

<https://pro.rebogateway.com/>

Imagine being a real estate agent that wants to get listings and you are looking for a motivated seller. Examples of motivated sellers are people that recently got divorced, received a notice of mortgage default, filed for bankruptcy, had a spouse die, or hadn't been paying property taxes, etc. Would you be interested in a service that provides you such alerts on specific properties? Of course. Well, that's RoboGateway Pro.

So, Voxtur has thousands of real estate agents using RoboGateway Pro that can give title business to Voxtur. But this wasn't possible before. Voxtur's title business was tailored toward refinancing, not toward new purchases.

Actually, the reason why Ryan Marshall, founder of Benutech, sold this business to Voxtur was this exact reason. Benutech, as a seller of RoboGateway Pro, can only get so large. The addressable market is small. For example, let's say that RoboGateway can capture 30 percent of the market share of 800k real estate agents and each agent pays \$400 per year. The max revenue potential would be \$96 million.

$800k \times 30 \text{ percent} \times \$400 \text{ per year} = \$96 \text{ million.}$

That's not very big.

(Oh, by the way, Ryan Marshall was offered \$100 million to sell Benutech right after he sold to Voxtur).

But if other services can be sold to or through these real estate agents, then the maximum revenue potential explodes. This is why Ryan sold Benutech to Voxtur and became a Voxtur shareholder. Benutech distribution could be leveraged to sell other products through these real estate agents.

For example, instead of just selling access to RoboGateway for \$400 per year, Voxtur can sell title insurance through these same agents and generate \$8,000 per year worth of business. On average, each Benutech real estate agent does four transactions per year. If they refer title insurance business to Voxtur, that's \$2,000 to Voxtur for each title transaction. Now, the revenue potential goes from \$96 million to \$1.9 billion.

$800k \times 30 \text{ percent} \times \$400 \text{ per year} = \$96 \text{ million.}$

$800k \times 30 \text{ percent} \times \$8,000 \text{ per year} = \1.9 billion.

What makes you think that real estate agents would refer title insurance business to Voxtur? Because they are already referring business to other title agents.

In the Data Business division, which I will discuss in the next section, you will learn that other companies, such as title insurance underwriters, are using Benutech's RoboGateway Pro or Title Toolbox to drive title insurance business to themselves. For example, one big title underwriter pays Voxtur for the license to use Benutech. This title underwriter gives Benutech's tool to the title agencies. The title agencies in turn give the Benutech tool to the real estate agents. Real estate agents get listings by using it and in return,

refer title insurance business back to the title agencies. In this case, does it surprise you that this title insurance underwriter wanted to buy Benutech for \$100 million?

When I first heard this, I thought “This is insane. You could be making \$8,000 from the title insurance business from your real estate agents but instead you let others use your technology and data to make \$8,000 and you just make \$400. What am I missing?”

What I was missing is that Voxelur’s title business was not ready until recently. It needed a complete rebuild. As I said before, Voxelur’s title business was designed for title refinancing on foreclosures and defaults.

Voxelur’s distribution is very valuable. Two hundred and fifty thousand (250k) real estate agents are using Benutech tools directly or indirectly. Voxelur has access to all of them. Also, some companies are providing Benutech tools to their network of real estate agents who aren’t paying for it but in return Voxelur gets access to the real estate agents. For example, one CRM (Customer Relationship Management) company offers the Benutech platform to agents so Voxelur lets them use it for free but in return Voxelur gets access to these agents. (A CRM is a system for managing an agent’s interactions with current and potential customers.) Why is Voxelur doing it? The cost of client acquisition is a lot lower if your customer is already using your product.

Almost every single real estate agent in the US touches one of Voxelur’s products one way or another. The upside to the title business is huge by leveraging Voxelur’s existing distribution. And of course, the refinancing title work is also recovering as the mortgage rates are falling.

VOXTUR RATE ADVISOR

How else is Voxelur planning to drive more business to its title division? Let me introduce you to Voxelur Rate Advisor, which was recently rolled out. Yes, it is already generating revenue. Voxelur Rate Advisor diligently scrutinizes title products and rates sources from Voxelur’s extensive network of title providers and underwriters and provides access to the most competitive pricing for title and settlement services.

Voxelur Rate Advisor shows users like lenders which title product is best for each property refinancing.

The screenshot displays the Voxelur Rate Advisor interface. On the left, there is a section titled "Inputs for calculator" with the following fields: State (Florida), County (ORANGE), Property Type (Single Family Residence), Transaction Type (Refinance), Purchase Price (empty), Loan Amount (\$270,751), and Loan Type (Conventional). Below these fields are "Reset" and "Submit" buttons. On the right, there is a section titled "Title Quotes" with a "Download" button. It contains two tables: "Standard Pricing" and "AOL Pricing".

Standard Pricing	
Type	Price
Attorney Fee	-
Closing Fee	\$475.00
Coordination Fee	-
Muni Search Fee	-
Search & Exam Fee	\$175.00
CPL Fee	-
Lender Policy	\$1,428.76
Alta8.1	\$25.00
Alta9	\$285.75
Total	\$2,389.51

AOL Pricing	
Type	Price
Attorney Fee	-
Closing Fee	\$550.00
Coordination Fee	-
Muni Search Fee	-
Search & Exam Fee	\$130.00
CPL Fee	\$50.00
AOL	\$495.00
Total	\$1,225.00

When Voxtur rolled out its AOL (Attorney Opinion Letter) product, the message was that AOL was going to save people money. This created initial interest from the lenders. But this promise wasn't entirely true. In some instances, regular title insurance is cheaper than AOL, and in other instances, AOL is cheaper. There are many factors that determine the most suitable title product. Consequently, potential AOL clients became disappointed.

Voxtur had to build and develop brand new technology that addressed this problem. They needed a tool that would tell the users which title product was suitable when, where, and for what property. This is how Voxtur Rate Advisor was born.

Now lenders and loan officers, free of charge, can quote the right price for the right title product. Nobody else has this tool. Nobody. Voxtur Rate Advisor allows these professionals to stand out from the competition. Voxtur Rate Advisor makes them more competitive. Also, Voxtur Rate Advisor is a platform from which they can order title insurance products and Voxtur would make money no matter which option they choose.

Choice 1: Traditional Title

Title Quotes	
Standard Pricing	
Type	Price
Attorney Fee	-
Closing Fee	\$475.00
Coordination Fee	-
Muni Search Fee	-
Search & Exam Fee	\$175.00
CPL Fee	-
Lender Policy	\$1,428.76
Alta8.1	\$25.00
Alta9	\$285.75
Total	\$2,389.51

If traditional title insurance is chosen, Voxtur charges \$475 for the Closing Fee, \$175 for the Search & Exam Fee, and 80 percent of Lender Policy (\$1,143). Remember how I said that each title transaction makes \$2,000? This shows you the details.

Choice 2: AOL – Attorney Opinion Letter

AOL Pricing	
Type	Price
Attorney Fee	-
Closing Fee	\$550.00
Coordination Fee	-
Muni Search Fee	-
Search & Exam Fee	\$130.00
CPL Fee	\$50.00
AOL	\$495.00
Total	\$1,225.00

If AOL is chosen, Voxtur charges \$550 for the Closing Fee, \$130 for the Search & Exam fee, \$50 for the CPL fee, and \$495 for the AOL fee.

As of now, Voxtur Rate Advisor has been integrated with the top three or four Loan Origination Systems (LOS). They cover 70 percent of loan officers. Lenders wanting to use it have to turn it on, but Voxtur Rate Advisor is already integrated into their system.

There is a third option that is an alternative to title insurance that Voxtur might incorporate into Voxtur Rate Advisor. It is called Title Waiver. Voxtur is a perfect candidate for this program. Here are some press releases concerning the Title Waiver program.

March 7, 2024

Lenders purchase lender's title insurance to cover the mortgage, but homeowners bear the cost. Homeowners have no coverage under lender's title insurance. By eliminating the need for homeowners to purchase lender's title insurance, this pilot will create an opportunity to save homeowners \$500 - \$1,500 in closing costs on their refinance.

<https://www.fhfa.gov/document/title-acceptance-pilot-faqs>

March 07 2024

For many aspiring and current homeowners, closing costs represent a substantial affordability barrier to purchasing or refinancing a home. The Federal Housing Finance Agency (FHFA) continue to focus on ways Fannie Mae (the Enterprises) can responsibly reduce closing costs for homeowners in a safe and sound manner. Homeowners who want to refinance their mortgages are often surprised to learn that the out-of-pocket costs can make that difficult. One of those costs is a new lender's title insurance policy that covers the lender, but not the homeowners. ...

The recently approved title acceptance pilot will waive the requirement for lender's title insurance or a legal opinion on certain low-risk refinance transaction where there is confidence that the property is free and clear of any prior lien or encumbrance.

<https://www.fhfa.gov/news/statement/director-sandra-thompsons-statement-on-title-acceptance-pilot>

July 18, 2024

"Fannie Mae today issued a Request for Proposal (RFP) to identify potential suppliers to participate in a Title Acceptance pilot that was announced by FHFA on March 7, 2024, followed by an update from Fannie Mae on April 12, 2024, announcing the forthcoming proposal. The proposal consists of two sections. The first section is focused on identifying industry participants that own or use an instant title engine for us in the pilot. The second section seeks input from a diverse group of industry participants on ways to reduce title, escrow, and other closing costs through technology, process improvements, alternative title products, alternate rate and fee structures, or other changes to make homeownership more affordable for borrowers in a safe and sound manner."

<https://www.fanniemae.com/newsroom/fannie-mae-news/statement-request-proposal-identify-potential-suppliers-fannie-maes-title-acceptance-pilot>

April 12, 2024

On March 7, 2024, FHFA announced the intention to explore a pilot that would allow lender to forgo a lender's title insurance policy or attorney opinion letter (AOL) on a small population of refinance loans sold to Fannie Mae in an effort to reduce closing costs for borrowers. Since that announcement, Fannie Mae has been working with FHFA to develop a Title Acceptance pilot framework and has received increased interest from title and settlement service and technology providers seeking to participate in the pilot.

In response to that interest, Fannie Mae announced today that it will issue a Request for Proposal to identify potential suppliers to participate in the Title Acceptance pilot. The Request for Proposal, which will be issued by the end of the second quarter, will provide Fannie Mae the opportunity to evaluate interested industry participants for potential inclusion in the pilot that have viable technology solution for managing title-related risk and reducing closing costs for borrowers.

<https://www.fanniemae.com/newsroom/fannie-mae-news/fannie-mae-issue-request-proposal-identify-potential-suppliers-participation-title-acceptance-pilot>

Because of changes, lenders, title companies, and title agencies will need to find a solution that helps them identify when different title products should be used. Voxtur Rate Advisor does that.

Right now, Voxtur Rate Advisor only tell users if regular title insurance or AOL is the best choice because the Title Waiver option is still in the pilot program phase. The Title Waiver option can be added to Voxtur Rate Advisor.

With that being said, Voxel Rate Advisor is a tool that can add a lot of value for the real estate industry. Also, it is a platform from which title products can be ordered. That's like \$1,000 for Voxel in revenue no matter what title product is used. How many players can use this tool? I don't know but even if 25k transactions per year go through this system, this is serious money.

$25,000 \times \$1,000$ of revenue for Voxel = \$25 million of revenues

What else can Voxel do to drive business to its title division? How about using Blue Water? Blue Water is discussed in more detail later. Blue Water has clients that own and exchange mortgage assets. If you owned MSR (mortgage servicing rights) or the loan, wouldn't you want to know if there are any people within that pool that are in need of refinance? That's called recapture. I mean you wouldn't want to lose that cash flow, right? What if there was a way to monitor for clues to tell you when a particular MSR or mortgage wants to be refinanced? Then, you could contact your client and refinance them instead of letting your competitor refinance them, right? Well, Voxel has such a surveillance tool. It was released recently. It monitors and alerts the owners of mortgage assets of such things. And if there is an opportunity to refinance, who do you think is going to get the title business? Yes, you guessed it correctly. Voxel.

When somebody wants to pay off the mortgage or refinance it, they call the servicer who owns the MSR. Then, the servicer refers them to the mortgage originator for refinancing. The originator needs to get title insurance or an AOL. Voxel is the best title provider because Voxel can do it quicker and cheaper. Voxel can provide the originator with a title in 30 seconds. Nobody else can do this. Other title companies didn't do any ground work necessary to produce a title product. Voxel already knows the borrower's info. Voxel already knows the property. This is because Voxel has already been monitoring that borrower and the property.

As you can see, Voxel's title business has a massive upside. If you are reading this report, I bet you had no idea about any of this.

DATA BUSINESS

Voxtur Data Business generates almost \$2 million of revenues per quarter, or \$8 million per year.

	F23 Q3	F23 Q2	Change (\$)	Change (%)
Capital Markets	2,074	4,582	(2,508)	-55%
Valuation	2,859	3,010	(151)	-5%
Title	1,223	1,696	(473)	-28%
Data	1,942	1,314	628	48%
Property Tax	3,915	3,158	757	24%
Other	198	467	(269)	-58%
Total Revenue	12,211	14,227	(2,017)	-14%
Gross Margin	67%	66%		1%

Voxtur Data Business became part of Voxtur in December 2021 with the acquisition of Benutech. I already talked about but here is a bit more detail.

The main two products are RoboGateway Pro and Title Toolbox. RoboGateway Pro is a product for real estate agents and Title Toolbox is a product for title agents.

Real estate agents use RoboGateway Pro to generate leads. If you are a real estate agent, you want to find owners that are motivated to sell.

Title Toolbox is a similar product but it is for title agents that in turn give it to the real estate agents. Title agents get business from real estate agents. What if the title agents can provide lead-generating tools for real estate agents? Those agents can return the favor and give title business to the title agents.

Voxtur is selling RoboGateway Pro and Title Toolbox to real estate agents and title agencies. Also, Voxtur is white labeling the technology to some of the biggest title underwriters – yes, one or two of the top four title underwriters listed previously. These underwriters provide it to their title agents with the hope that these title agents would send the underwriting business to them.

VOXTUR VERIFY

Let's talk about another development that alone could be worth \$500 million to \$1 billion. Let me introduce you to Voxtur Verify. Voxtur Verify was rolled out a month ago. Voxtur Verify is a precursor producing an instant Title Determination which is used by others to produce Preliminary Title Reports.

A Preliminary Title Report costs title agencies from \$75 to \$200. This cost is covered by the "Search & Exam Fee" on the closing statement, which was discussed previously. Voxtur will sell Voxtur Verify for \$75. The cost to Voxtur is \$12. It takes competitors a week to complete it while Voxtur can deliver it immediately.

At this moment, Voxtur is charging \$20 for Voxtur Verify to quickly gain customers. Let's call this version Voxtur Verify 1.0. The company released this version because it can generate revenues instantly. Voxtur Verify 1.0 is competing with another service that costs \$55. Title agents are switching to Voxtur Verify 1.0. All these agents are on Benutech Title Toolbox. Benutech has dedicated salespeople reaching out to them. This product is so popular that 9 out of 10 title agents want to see a presentation and 6 to 7 buy it. The company has only been doing this for 30 days. The CAC (cost of acquisition) is extremely low. It is nearly \$0.

Also, Voxtur Verify 1.0 is not comprehensive enough to be used to produce a Preliminary Title Report. A Preliminary Title Report is a document that provides details regarding the title and the background of a property. It helps ensure that the home that is about to be purchased legally belongs to the seller and not an unknown heir who may try to claim the property. The report also lists any encumbrances such as tax liens, mortgage liens, and easements on the real estate. This is a very important report that starts the title underwriting process.

Here is an example of a Voxtur Verify 1.0 Report. Just remember that I made up the name Voxtur Verify 1.0.

SELLER STATEMENT OF INFORMATION

"Title Agency Name" Verify (White Label)

ACKNOWLEDGMENTS

I ACKNOWLEDGE THAT I HAVE REVIEWED THIS DOCUMENT AND AFFIRM THAT I WILL ONLY USE THE WIRING INSTRUCTIONS IN THIS PORTAL. Yes

STATEMENT OF IDENTITY

THIS PROPERTY IS OWNED BY AN: Individual	FIRST NAME: James	LAST NAME: Adams	MOBILE PHONE (233) 222-3333
EMAIL james@aol.com	ARE YOU A US CITIZEN: Yes	SOCIAL SECURITY NUMBER: 111-22-3333	
DRIVER LICENSE OR GOVERNMENT ISSUED ID NUMBER: c6505809	WHAT STATE IS YOUR DRIVERS LICENSE ISSUED: CA	DATE OF BIRTH: 12/31/1108	
EMAIL: james@aol.com	IS THE SELLER AN HEIR OF THE OWNER? No	MARITAL STATUS Single	
DO YOU CURRENTLY GET MAIL AT THE CURRENT ADDRESS OR ANOTHER ONE? Property	MAILING STREET AND HOUSE NUMBER: 9440 Stony Hill Rd		
MAILING CITY: Reno	MAILING STATE: Nv	MAILING ZIP: 89521	AFTER THE SALE WILL YOU GET MAIL AT THIS ADDRESS OR ANOTHER? Other
NEW MAILING ADDRESS: 1234 Main Street	NEW MAILING CITY: New Orleans	NEW MAILING STATE: LA	NEW MAILING ZIP: 70116
IS THERE ANOTHER SELLER INVOLVED IN THIS TRANSACTION APART FROM YOUR SPOUSE? No			

LENDER INFORMATION

ARE THERE ANY EXISTING LOANS OR LIENS ON THIS PROPERTY? Yes	IS THIS AN EQUITY LINE OF CREDIT? No	LENDER NAME: FLAGSTAR BK FSB	
LOAN NUMBER: 5125898	APPROXIMATE BALANCE \$472,300	LENDER PHONE: (800) 666-5555	LOAN TYPE CONVENTIONAL
I AGREE WITH THE PUBLIC RECORDS No	PLEASE EXPLAIN WHY YOU DO NOT AGREE WITH THE PUBLIC RECORDS. My loan is now with Valon		
DO YOU HAVE ADDITIONAL LOAN: No			

HOMEOWNERS ASSOCIATIONS

IS THIS PROPERTY SUBJECT TO A HOMEOWNERS ASSOCIATION OR CONDO ASSOCIATION WITH DUES? No
--

PROFESSIONAL SERVICES

ARE YOU BEING REPRESENTED BY A REAL ESTATE AGENT? No	ARE YOU BEING REPRESENTED BY AN ATTORNEY? No
WILL ALL SELLERS (INCLUDING SPOUSES) BE ATTENDING THE CLOSING? Yes	

LIEN INFORMATION

What's the upside of Voxtur Verify once it can be fully used to produce a Preliminary Title Report? One particular interested party does 25k transactions per month. Can Voxtur capture 100k transactions per month? I think so.

100,000 x \$75 = \$7.5 million per month or \$90 million per year

That's an 84 percent gross profit margin.

I would say this product alone could be worth between \$500 million and \$1 billion. But that's not all. Vixtur Verify will not be just a product for title agents. More comprehensive versions will also be used by mortgage brokers, lenders, real estate agents, and transaction coordinators. They all need similar information about borrowers, buyers, and properties.

VALUATION BUSINESS

Vixtur's Valuation generates more than \$10 million of annual revenues and consists of three products: Anow SaaS Appraiser, Vixtur Direct, and Reports Now.

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Gross Margin	67%	66%		1%

When a house is purchased and a mortgage is taken out, the lender requires an appraisal. I used to be a real estate appraiser 20 years ago. Anow SaaS Appraiser is a business management and workflow tool for appraisers to manage valuation orders, employees, scheduling, accounting, client communication, reporting, and more.

So, Anow SaaS Appraiser is used to manage the appraisal business. Reports Now helps appraisers generate comprehensive appraisal reports. Here is an example of an appraisal report.

There are 4 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 485,000 to \$ 624,900
 There are 39 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 410,000 to \$ 573,000

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	Address City, CA 11111	Address 1 City, CA 11111		Address 2 City, CA 11111		Address 3 City, CA 11111	
Proximity to Subject		0.25 miles E		0.16 miles W		0.33 miles E	
Sale Price	\$	\$ 550,000		\$ 510,000		\$ 510,000	
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 423.08 sq.ft.		\$ 426.42 sq.ft.		\$ 435.53 sq.ft.	
Data Source(s)		CRMLS#1;DOM 45		CRMLS#2;DOM 20		CRMLS#3;DOM 78	
Verification Source(s)		Realist/Doc#1		Realist/Doc#2		Realist/Doc#3	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		ArmLth Seller Fin.:0		ArmLth FHA:0		ArmLth Conv;1300	-1,300
Date of Sale/Time		s01/17;c01/17		s08/16;c07/16		s02/17;c01/17	
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	6219 sf	6144 sf	0	6219 sf		6500 sf	0
View	N;Res;	N;Res;		N;Res;		N;Res;	
Design (Style)	DT1;Traditional	DT1;Traditional		DT1;Traditional		DT1;Traditional	
Quality of Construction	Q3	Q2	-15,000	Q3		Q3	
Actual Age	61	62	0	62	0	63	0
Condition	C3	C2	-15,000	C3		C4	+15,000
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	6 3 2.0	6 3 2.0		6 3 2.0		6 3 2.0	
Gross Living Area	1,192 sq.ft.	1,300 sq.ft.	-6,500	1,196 sq.ft.	0	1,171 sq.ft.	0
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FAU/Central	FAU/Central		FAU/Central		FAU/None	+2,500
Energy Efficient Items	None	None		None		None	
Garage/Carport	2ga2dw	2ga2dw		2ga2dw		2ga2dw	
Porch/Patio/Deck	Porch/Patio	Porch/Patio		Porch/Patio		Porch/Patio	
Pool/Spa	None	None		None		None	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -36,500	<input type="checkbox"/> + <input type="checkbox"/> -	\$ 0	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 16,200
Adjusted Sale Price of Comparables		Net Adj. 6.6 % Gross Adj. 6.6 %	\$ 513,500	Net Adj. 0.0 % Gross Adj. 0.0 %	\$ 510,000	Net Adj. 3.2 % Gross Adj. 3.7 %	\$ 526,200

did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
 Data Source(s) MLS, Realist, Dataquick
 My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.
 Data Source(s) MLS, Realist, Dataquick

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	CRMLS/Realist	CRMLS/Realist	CRMLS/Realist	CRMLS/Realist
Effective Date of Data Source(s)	03/11/2017	03/11/2017	03/11/2017	03/11/2017

Analysis of prior sale or transfer history of the subject property and comparable sales All prior sales/transfers of subject and comparables are shown above.

Summary of Sales Comparison Approach All comparables are taken from the subject's immediate neighborhood, similar in most attributes to the subject property, and represent the best available comparables at the time of the appraisal. All of the subject's features except age are bracketed by the comparable market data provided. See comments page for additional comments regarding sales comparison approach.

Indicated Value by Sales Comparison Approach \$ 520,000

This report takes a long time to fill out line by line. Because Voxelur has access to all this data, much of the needed data can be populated into the report automatically such as the subject's address, picture, and size, and the comparables' pictures, sizes, etc.

There are approximately 60k appraisers in the United States and 5k of them are using Voxelur's appraisal products. While having 8 percent of market share in any business is impressive, there should be more appraisers using it. Voxelur owns Apex Appraisal Solutions. It acquired it in October 2020. Apex is the number one sketching software used by real estate appraisers. Even I used it 20 years ago. There needs to be a property sketch when doing an appraisal. Apex has 25k appraisers using it. Also, more than 2,000 US counties use it too. But this is on the Tax Assessment Business division. The point is that Voxelur is already doing business with 25k appraisers. Wouldn't it be a good idea to cross sell them Anow SaaS Appraiser Product and Reports Now?

Now, let's move on to Voxelur Direct. Let me give you some background. After the 2008/2009 financial crisis that was started by the crash in real estate prices, AMCs (Appraisal Management Companies) were born. Before AMCs, mortgage brokers ordered appraisals directly from the appraisers on behalf of the lenders. Well, there was a lot of funny business going on. The brokers had influence over the valuation amounts assigned to subject properties. "If you don't hit my number, I will find another appraiser that will."

AMCs were the middleman to get rid of the conflict of interest. Instead of the mortgage brokers selecting appraisers, AMCs would do it. This created all sorts of problems and inefficiencies. Now some lenders want to get rid of AMCs and select appraisers themselves. Welcome to Voxelur Direct.

United Wholesale Mortgage, the largest wholesale mortgage lender in the United States, is using Voxelur Direct, and calling it Appraisal Direct. Voxelur white labeled it for them. Of course, UWM would like to keep it secret who the provider of Appraisal Direct is but it doesn't take too long to figure it out. Google "United Wholesale Mortgage Appraisal Direct and Anow" and you will find enough evidence showing that UWM is using Voxelur's Anow product for Appraisal Direct.

There are other lenders that are interested in Voxelur Direct but Voxelur needs to put some resources into this product to make it less UWM special. Right now, Voxelur Direct is all about taking care of UWM. At this point, this client consumes 100 percent of the developers' time. Also, to get other lenders onto Voxelur Direct, the product needs SOC 2 certification, which is in the works. But the demand for this product is there.

While these three products within the Valuation Business Division have significant upside, there is another angle in the real estate valuation space.

The problem with the real estate appraisal industry is that appraisals cost too much and take too long. It is ridiculous that it costs \$500 to \$800 for an appraisal that takes three weeks to complete. In many instances everybody already knows what the property is worth. Also, there is a shortage of real estate appraisers. The average age of an appraiser is over 60 years old and there are only 60k of them versus 1 million real estate agents. There are not very many people who become appraisers after college. It is usually a second career.

The bottom line is that when a purchase real estate transaction happens, everybody already knows what the house is worth. The broker already listed it for the right price based on comparables. And if it is not priced correctly, the valuation can be verified with data.

Consequently, there are talks inside Fannie Mae and Freddie Mac to approve automated appraisals with floor plans and sketches. In two years, we might see 50 percent of appraisals on refinancings done like this. Guess who has the number one sketching software in the appraisal industry? Guess who has the largest depository of sketches and floor plans in the United States? You guessed it. Voxtur. Voxtur owns Apex Sketching Software that is used by almost half of the appraisers in the country and it is also used by more than 2,000 county assessors out of 3,243 in the United States.

TAX ASSESSMENT BUSINESS

While real estate needs to be valued for the lenders for mortgage purposes, it also needs to be valued for property tax purposes. We all know that local governments finance themselves with property taxes, which requires proper valuation or assessment. This is where Voxtur’s property assessment business comes in. As you can see, this business generates approximately \$4 million of quarterly revenues or \$16 million of annual revenues.

	F23 Q3	F23 Q2	Change (\$)	Change (%)
Capital Markets	2,074	4,582	(2,508)	-55%
Valuation	2,859	3,010	(151)	-5%
Title	1,223	1,696	(473)	-28%
Data	1,942	1,314	628	48%
Property Tax	3,915	3,158	757	24%
Other	198	467	(269)	-58%
Total Revenue	12,211	14,227	(2,017)	-14%
Gross Margin	67%	66%		1%

I hope that you are now starting to see how Voxtur’s data is used to solve different problems. The same data combined with different technologies is used in different business units.

The products inside the Tax Assessment Business are RPTA (real property tax analytics), ApexSketch, ApexSketch Portal, GeoViewpoint and StreetScape.

Voxtur's Tax Assessment Business is about to get very valuable. Ontario government is getting ready to roll out Voxtur's Real Property Tax Analytics. Voxtur has been waiting and waiting for this. The last update is that it is supposed to be announced by the Ontario government on August 15/16 at a conference.

Voxtur's Real Property Tax Analytics (RPTA) is a proprietary property tax algorithm that tells how much property tax should be paid on the property. The city of Toronto uses it. When rolled out by the Ontario government, this tool will be used on approximately 6 million properties within 444 municipalities in the province of Ontario. Voxtur is anticipating the following revenues.

- Provincial fee \$4.5 million annually
- Pre-roll audit of an additional \$4 million annually
- Other \$10 to \$15 million annually (if the taxes are inaccurate either too low or too high then there is a legal mechanism to change the values)

Pretax profit margins on this new business should be approximately \$15 million.

Gary Yeoman, chairman and current CEO of Voxtur, wrote a property tax manual that defines policy and procedures for the Ministry of Revenue Property Assessment Program for the province of Ontario.

Here is some background on the Ontario reassessment. The Ontario property assessment system ordinarily operates on a four-year cycle. The Municipal Property Assessment Corporation (MPAC) conducts a general reassessment of all properties in the province. MPAC is Voxtur's client. The most recent Ontario property tax reassessment occurred in 2017. This reassessment was supposed to last four years. Then, COVID happened. The 2021 reassessment was postponed and postponed again and again and again. On August 10, 2023, the provincial government announced that it was postponing the province-wide reassessment until 2024.

<https://www.mpac.ca/en/UnderstandingYourAssessment/AssessmentCycle>

How much is Voxtur's Tax Assessment Business worth with Ontario adopting Voxtur's RPTA product? \$200 million? You can make this determination yourself. Let's not forget that other provinces can also roll it out in the future.

I hope that you are starting to realize just how silly Voxtur's valuation is at this point. But we are not done yet.

CAPITAL MARKETS BUSINESS

The Capital Markets Business division is Blue Water Financial Technologies. Blue Water was acquired in September 2022. As you can see, it currently generates nearly \$10 million of annual revenues.

	F23 Q3	F23 Q2	Change (\$)	Change (%)
Capital Markets	2,074	4,582	(2,508)	-55%
Valuation	2,859	3,010	(151)	-5%
Title	1,223	1,696	(473)	-28%
Data	1,942	1,314	628	48%
Property Tax	3,915	3,158	757	24%
Other	198	467	(269)	-58%
Total Revenue	12,211	14,227	(2,017)	-14%
Gross Margin	67%	66%		1%

On July 30, 2024, Voxtur announced that it will be selling a 50.5 percent stake in Blue Water for USD \$40 million. USD \$30 million is cash and the rest is the earnout. The transaction did not close yet. The cash from this transaction will be used to eliminate or almost eliminate the company's debt, which is USD \$27 million. After this, Voxtur will be debt free, and will own half of Blue Water and the rest of the business units discussed in this report.

Voxtur acquired Blue Water in September 2022. This acquisition allowed Voxtur to expand to the secondary mortgage market. The primary mortgage market is where mortgages are originated. The other business divisions are in the primary market. Blue Water operates in the secondary market where mortgages are bought and sold after they are originated.

Blue Water deals with mortgages and mortgage assets such as MSR (mortgage servicing rights). Blue Water is a platform where mortgage assets can exchange hands just like on an exchange. The sellers of mortgage assets can be originators from the primary market and owners of mortgage assets in the secondary market. The buyers of mortgage assets are banks, hedge funds, and mutual funds, etc.

Mortgage assets can be sold individually or in bulk. Blue Water has brokered many bulk transactions that had thousands of mortgage assets transferred from a seller to a buyer.

Put yourself in the shoes of a mortgage asset buyer. What do you want to know about a mortgage asset before you buy it? How about valuation of the asset? How about due diligence? Blue Water provides these services.

What if you were a seller of mortgage assets? You could improve the value of your mortgage assets if you showed the buyer the due diligence.

When Voxtur acquired it, Blue Water was only dealing with MSRs. Since the acquisition, Blue Water expanded its offering to Whole Loans, Non-QM Loans (non-qualifying), and reverse mortgages. Also, Blue Water introduced pre-close and post-close due diligence. The due diligence part is a big deal because the competing products are extremely labor intensive, costly, and lengthy. Consequently, sellers or buyers on bulk mortgage assets only sample 10 percent of them during due diligence. Blue Water can perform due diligence in real time on 100 percent of the assets for less than it cost to sample 10 percent of them. Blue Water pre-close and post-close due diligence is a thorough review of all loans making sure that all documentation has been completed pre-close and post-close of the transaction. Pre-close improves the condition of loans before purchasing and post-close ensures all documentation has been reviewed.

Blue Water is also getting into tokenization of real estate assets. On January 31, 2024, Voxtur announced a strategic partnership with Security Token Group, a leading infrastructure company serving the global security token industry. This could be absolutely huge for investors to be able to buy tokens backed by mortgage assets such as mortgage loans or MSRs (mortgage servicing rights).

“This is a key strategic relationship for Blue Water,” said Al Qureshi, managing partner at Blue Water. “Security Token Advisors has 95% of the token market covered. Tokenization provides liquidity, scale and diversification. It represents the future.”

The upside of Blue Water is big. The addressable market is huge. They solve problems that others can't. After the Blue Water sale transaction closes, Voxtur will own approximately half of Blue Water.

Can Blue Water be worth \$1 billion in a few years? Absolutely.

SUMMARY

“Price is What You Pay. Value is What You Get.”

- Warren Buffett

Currently, Voxtur has a market cap of CAD \$100 million and effectively no debt after the Blue Water transaction closes. This is the price tag. What are we getting for this price?

We just saw that half of Blue Water is worth a minimum of CAD \$55 million (USD \$40 million). That leaves us with CAD \$45 million. Do you think that the rest of the businesses are only worth CAD \$45 million? Not a chance. All of these businesses have monstrous upsides but even if they didn't, they are worth multiple times that amount. They generate CAD \$40 million of annual revenue with more than 60 percent gross

profit margins. If you broke up Vixtur today and sold its individual businesses, you would probably get between \$200 to \$300 million.

With that being said, what I care about is that at the current stock price, the downside appears to be limited and the upside is huge. Do you agree?



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