

**Global Speculation Limited Partnerships Unofficial Prospectus**  
**Drafted, Written, Created and Distributed by ARM Holdings LLC**  
**April 11, 2010**

“Well, now, look. I thought otherwise, but I may be wrong. I frequently am. And if I am wrong, I want to be put right. Let’s examine the facts.” (How to Win Friends and Influence People, Dale Carnegie)

### **Out of Necessity**

In the past 12 months, the frequency at which I’ve been asked for a prospectus has increased exponentially up to the point where enough people are asking to justify that the value of having one is greater than the cost of creating one. As such, I’ve decided to go about creating one and think the best way to do this is to mostly do one myself, in such a way that tries to conform to the outline given by the SEC but also gives readers an idea of what’s really driving the allocationary decisions that I’ll be making. This is in no way shape or form an official prospectus, but it’s as close to what I would want one to be as possible. That said, the legal jargon that a real prospective would have would be a lot less candid and a lot less informative, but it would be legal. I don’t possess a law degree or any certifications that would be relevant in creating an official one.

### **What is a Prospectus**

A prospectus is a legal document that institutions and businesses use to describe the securities they are offering for participants and buyers. A prospectus commonly provides investors with material information about mutual funds, stocks, bonds and other investments, such as a description of the company's business, financial statements, biographies of officers and directors, detailed information about their compensation, any litigation that is taking place, a list of material properties and any other material information. In the context of an individual securities offering, such as an initial public offering, a prospectus is distributed by underwriters or brokerages to potential investors.

A prospectus is a legal document required by the Securities and Exchange Commission (SEC) for companies that are registering securities for sale to the public. The document is required under regulation C of the Securities Act of 1933.

### **Prospectus Summary**

The first part of the prospectus is the summary of the registration, which outlines the business the company is engaged in and gives a snapshot of what the proceeds of the sale will be used for. It also provides highlights of the income statement, balance sheet and cash flow statement. The summary is meant to give investors a cursory review of the entire offering in an easy-to-read format.

ARM Holdings LLC manages limited partnerships composed mostly of investors that believe Glen Bradford is someone that they would like to manage their capital. In drafting the limited partnership documents, Glen has tried to allow for this capital to be allocated in any way he sees fit to benefit the limited partners of the limited partnerships, whether this be bonds, stocks, real estate, treasuries, iron ore, whole companies, or anything.

The name itself, Global Speculation, was chosen specifically to describe the nature of the partnerships against more recommended, safer sounding names. Emphasizing the downside risk is important to ARM Holdings LLC because there is a lot of it.

The proceeds of the sale of securities should be compared to a blank check company. ARM Holdings LLC takes the proceeds from the partnerships and invests them in the name of the partnerships as it sees fit. Sometimes, the best investment is cash. Sometimes, doing nothing is the best thing.

At the current point in time, there really isn't much value in creating financial statements to the limited partners and as such I'll be overlooking that aspect. For as long as I can, I'll be putting the returns of the limited partnerships up on ARM Holdings LLC's blog for access to limited partners only.

Priority always goes to existing limited partners and people that Glen works with before he looks for external sources of capital. That's the plan anyway.

ARM Holdings LLC takes 20% of the gains and 2% annually for the time being. There is a high probability that there will be losses instead of gains, sometimes compromising the entire investment.

## **Getting to Know Glen Bradford**

Glen Bradford begins by questioning everything. He seeks to understand the incentives of people, their perspective, why they do what they do and make sense out of it. He seeks criticism and uses it to hone in on his weaknesses so that he can avoid losing to the best of his ability. He openly admits that he doesn't know much of anything. He often wonders, "What are you waiting for?" He runs his life like a business and his vision statement is to empower success.

Below is one of his musings:

Occasionally I like to sit down and question whether what I am doing makes any sense. I'm a little more theoretical than what is practical in situations like this, but I have to make sure that I'm looking at things from the right perspective in order to justify continuing to do so.

I've spent a lot of time studying successful investors. I'm going to point out some personality characteristics that I think are advantageous to have as an investor.

I recently took a Jung Typology Test and ranked ESTJ with the strongest bias to thinking. I also recently discovered in negotiations class that nobody else in the class has the same management style as I do. I'm both uncooperative and unassertive, making me an avoider. The other options were to be competitors, collaborators, compromisers or accommodators.

All things said and done, this means that I can make impersonal decisions quickly and I avoid having to negotiate when making decisions. Send me the details and I'll let you know if I'm interested. Oh, and when I'm working with you, you get to make most of the decisions because I don't want to deal with it. That said, I'm only going to reward good decisions with praise. Bad decisions will seemingly go overlooked, unless I think I can easily influence a better outcome.

My stock-picking strategy is not unlike Prim's Algorithm, which I traversed in my Ph.D. Combinatorial Optimization class. In a sentence, I quickly branch out from what I know to expose myself to more of what I know that I don't know, spending as little time as possible on each activity that doesn't add value. I quickly eliminate opportunities that don't appear to be the best using basic valuation metrics. I'm one of the few people that actually believes in my ideas as opposed to just writing about ideas, because I own them all myself. After sorting through thousands of companies I stick by one guiding principle: When you can be certain that others are uncertain and that the price that you pay is less than the underlying value, buy. Thus, I own when it doesn't make sense not to.

Also, strength for the best investors comes from knowing some of their weaknesses. For the most part, those are all listed here:

[http://en.wikipedia.org/wiki/List\\_of\\_cognitive\\_biases](http://en.wikipedia.org/wiki/List_of_cognitive_biases).

I would argue that my sole advantage in life is that I know some of my weaknesses.

## **Risk Factors**

Another part of the prospectus lists the risk factors the company faces when conducting its business. These risk factors can be macroeconomic or competitive ones.

This should be the longest part of any prospectus. Today is no different. **Make no mistake, these partnerships are the riskiest in the world.** As the writer of this prospectus and the managing partner of these partnerships, I know that I cannot even begin to comprehend the multitude of risk factors that I should be outlining in this section, and as such I'm going to do my best to summarize the major ones. By reading this prospectus and investing with ARM Holdings LLC, you understand that what you are getting into is completely different from anything else out there and as such, there is more uncertainty and potential for things to go terribly wrong in unforeseen ways.

Before I begin, I am going to say that I'm going to do what makes the most sense in this risk section. I feel that a majority of people who claim to operate in the financial sector misunderstand what risk is. As such, I'm going to try and outline what ARM Holdings LLC defines risk to be.

We believe that it is in our best interest to use Scientific Theory to guide our mental framework for investing. We try to set up disprovable hypotheses where the null hypothesis is to sit in cash. Only by disproving the null hypothesis do we invest. This same thought structure is useful when comparing and contrasting the framework that will be used to guide investment decisions for the partnerships with that of mainstream financial facts. Remember that a fact is a commonly held belief. In the past, it was a fact that the earth was flat.

Although we intend to make macroeconomic and competitive factors work to our advantage here at ARM Holdings LLC, we readily accept the fact that everything could be going against us for long periods of time, potentially until ARM Holdings LLC goes belly up. A normal prospectus would talk about a lot of strategic stuff like this, but I think that this is covered by the blanket statement above that **these partnerships are the riskiest in the world.**

### **In terms of Diversification:**

*Fact: Diversification reduces risk.* Recently, I was talking with a good friend about uncertainty and we determined that there is a good kind and a bad kind. The good kind is possibility and the bad kind is risk. Risky implies the likelihood of a negative outcome and possibility implies the likelihood of a positive outcome. This is important when you talk about unsystematic risk. Now, avoiding unsystematic risk is a good idea. That said, avoiding unsystematic possibility is a terrible idea. The financial industry as a whole recommends avoiding both through exhaustive diversification. I don't think that this is advantageous.

### **In terms of Stock Price Volatility or Beta:**

*Fact: The covariance of the price of an investment with the price of the market is directly correlated with risk.* Investment uncertainty does not come from historical price volatility. The uncertainty in any particular investment comes from the relative difference between the price you pay and the underlying value. If you pay a little and get a lot, the uncertainty is a possibility. If you pay what something is worth and intend to sell it at a later date for a higher price, you start

getting risky. “Risk comes from overpaying” – Glen February 2010. In fact, it is our understanding that Eugene Fama, the mentor to Black Scholes, who created the hypothesis that markets were efficient, disproved the hypothesis at a later date. Apparently, nobody got the memo. The hypothesis has been disproven in several instances and has been publically disregarded by people like Warren Buffett, one of the luckiest guys in the world.

In terms of disregard for Growth vs. Value:

*Fact: Some mutual funds decided that there was a difference between Growth and Value. We value growth. As such, we are going against the mainstream. All things equal, it is our understanding that a growing company with the same characteristics as a company that is not growing should be more expensive than the company that isn't growing. We reserve the right to be wrong and to reconsider at a later date.*

The purpose of outlining the differences above is to illustrate that the theories ARM Holdings LLC intends to apply in the allocation of the portfolios it manages are directly in question with some commonly accepted industry standards. Thus, the major risk is as follows.

Risk of Glen Bradford

Note that the objective of this type of investment style is not losing money. This characteristic alone predetermines that the sanity of the general partner should always be in question, especially since it's out of line with the facts of the financial industry. Given that in the recent past, criminals like Bernie Madoff has used structures like limited partnerships to con multitudes of people out of their money, investing in these partnerships requires that you trust ARM Holdings LLC and Glen Bradford. Also, his sanity should be brought into question. If his ideas don't make sense, you shouldn't invest with ARM Holdings LLC.

Limiting Factors

For the most part, ARM Holdings believes that there are two limiting factors when it comes to the allocation of financial capital. When and Where. Where defines the companies or opportunities that are to be taken advantage of. When defines the time at which you allocate your capital into those opportunities. The saying, “Strike while the iron's hot” comes to mind. The trick is forward looking. In order to make money, you have to be allocated where a lot more money is headed before it gets there. You have to buy stocks that are at low prices before they are at high prices. “Buy low, sell high.” Sounds easy enough, but you are fighting market dynamics that can push company valuations away from their intrinsic value for potentially forever. These are not limited to but may include: bear and bull markets, confirmation biases, herd mentality, panic buying and selling contagions. These result from: defective reasoning, sycophantic strategies and narrative fallacies, defective reasoning, short-sightedness, satisficing, and the winners curse.

That said, Limiting factors such as availability of margin, bank loans, time, shareholder voting rights, Rule 144 clearance, and more might result in an inability to return capital on demand even in the worst case scenario.

### **Legal Disclaimer**

Another section contains a statement by the company that the information in the prospectus is based on "forward-looking statements that involve substantial risks and uncertainties." This is used to defend the company legally if something happens after the offering that causes losses to investors.

### **Introduction**

By using or reading any of ARM Holdings LLC's materials, including but limited to: ARM Holdings LLC website and emails, you the user agree to these terms and conditions.

By using or reading ARM Holdings LLC's materials you are signing this legally binding contract. ARM Holdings LLC owns and operates [www.glenbradford.com](http://www.glenbradford.com), [armholdingsllc.com](http://armholdingsllc.com), and [globalspeculation.com](http://globalspeculation.com). The following contract applies to all of these.

### **Accuracy**

ARM Holdings LLC provides information to the general public on selected stocks ARM Holdings LLC has profiled. Other stocks that have been profiled which are not listed on the website may have performed better or worse than the stocks listed. Past performance should not be used as an indicator of future returns. ARM Holdings LLC tries to make the ARM Holdings LLC website as accurate as possible but does not guarantee that the information is accurate. The information contained on this website is for informational purposes only. This information has been obtained from sources, which we believe to be reliable in no way are warranted by us as to accuracy or completeness. ARM Holdings LLC does not guarantee the accuracy or completeness of the information displayed in any section of the web site.

### **Information Only**

Neither ARM Holdings LLC nor the mentioned companies is offering securities, advising, or soliciting the purchase or sale of the securities. There is no guarantee that the target price for the stock in research reports will be met, as there are many factors that may affect a company's business success and stock performance. ARM Holdings LLC is not meant to be a recommendation to buy or to sell securities nor an offer to buy or sell securities. Investors should not rely on the information given by ARM Holdings LLC to make investment decisions. Rather, investors should use the information only as a starting point to do additional independent research so that the investor is able to make his or her own investment decision. ARM Holdings LLC encourages investors to contact these companies directly to verify information and seek investment advice from a registered financial advisor before considering an investment in such securities. ARM Holdings LLC is not a registered broker/dealer/representative and does not provide investment advice.

### **Compensation**

ARM Holdings LLC may receive compensation for companies mentioned herein. In satisfaction of the requirements of Section 17(b) of the Securities Act of 1933, our compensation is disclosed in the disclaimer for each individual security. In each case we indicate the amount of payment, source of payment and type of payment (i.e., cash or securities), and we update the disclosure to indicate payments received from time to time. All statements and expressions are the sole opinions of the analysts and contributing writers and are subject to change without notice. ARM Holdings LLC reserves the right, for its officers, directors, shareholders, and agents as well as

itself, to buy, hold, and/or sell securities mentioned on this web site. We are active traders and may -- but need not -- buy or sell any of these securities at any time and without notice. Our buying and selling of any of these securities may influence their market prices. Our compensations are available for viewing on request. As of right now, ARM Holdings LLC has not ever been compensated for promoting any company or entity.

### Risk and Loss

Never invest into a stock discussed by ARM Holdings LLC unless you can afford to lose your entire investment. ARM Holdings LLC is not responsible for any loss that may be incurred by any person resulting for the use of this web site or any material contained herein. ARM Holdings LLC recommends that persons desiring to trade or invest in securities do so cautiously and in consultation with their financial advisors. We cannot guarantee and do not guarantee that all and/or any of the securities profiled here will ever increase in market value at any particular time after the profile becomes public. Any security can decrease in value at any time. Many micro cap companies do not file reports with the SEC, making it difficult to get the facts about such a company's management, products, services, and finances. Never depend solely on the information contained in an Internet publication. The risk of fraudulent information exists with many Internet sites. This disclaimer may change from time to time without notice.

### Forward Looking Statements

ARM Holdings LLC contain "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21B of the Securities Exchange Act of 1934. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, goals, assumptions or future events or performance are not statements of historical fact and may be "forward looking statements. Forward-looking statements are based on expectations, estimates, and projections at the time the statements are made that involve a number of risks and uncertainties that could cause actual results or events to differ materially from those presently anticipated. Forward looking statements in this action may be identified through (but are not limited to) the use of words such as "expects", "will," "anticipates," "estimates," "believes," or statements indicating certain actions "may," "could," or "might" occur. Such statements are in no way guarantees of future performance or actual events. Results may differ materially from those expressed or forecasted by or concerning the featured companies due to a great many factors.

### Other Sites

Links to other Web Sites or references to companies, services or publications other than those ARM Holdings LLC are for convenience only, and do not imply an endorsement or approval of such Web Sites, services or publications by ARM Holdings LLC. The links on this site to other web sites are not to be construed as endorsements of those sites, their products, recommendations, or contents. Links to other sites are furnished for the sole purpose of providing additional information and content for thoughtful consideration. ARM Holdings LLC assumes no responsibility for any loss caused by the use of any material posted on any domain linked or otherwise related to ARM Holdings LLC.



**Copyright**

ARM Holdings LLC materials are not and shall not be used as part of any prospectus, offering memorandum or other disclosure attributable to any issuer of securities. No individual or entity is authorized to link to any of ARM Holdings LLC for the purpose or with effect of incorporating any such information into any disclosure to any investor or potential investor. All materials of ARM Holdings LLC are protected by copyright laws and may not be copied, or reproduced in any way without the expressed, written consent of ARM Holdings LLC.

The disclaimer can be updated anytime.

**Use of Proceeds**

This section details exactly what the company will do with the funds received from the sale. Typical reasons include debt repayment, acquisitions or general corporate purposes.

The use of proceeds for money transferred to and from ARM Holdings LLC will go directly into the limited partnerships, subject to availability, and will be invested to the principles outlined above.

**Other Sections**

Other important sections of a prospectus include the management's discussion and analysis of financial conditions and results of operations--basically a detailed account of the company's business and operations over the last several years

The results of the limited partnerships to the best of the ability of the managing partner will be posted on the website: [www.armholdingsllc.com/blog](http://www.armholdingsllc.com/blog) for access to limited partners only.

In Closing:

Lastly, we believe the best we can do is give you, the investor, the opportunity and the incentive to take it. The choice to take it is yours, and yours alone. At the least, I hope that reading this document makes you more concerned about your present investments and the associated strategy going forward.

I certify that to the best of my knowledge all the above statements accurately reflect the facts, opinions, and beliefs of ARM Holdings LLC and the stakeholders involved to the best of my knowledge, limited as it may be.

Do Not Lose,

A handwritten signature in black ink, appearing to read 'Glen Bradford', written in a cursive style.

Glen Bradford

Chief Executive Officer