

□ R&D Council Memo — May 5, 2026 (Tuesday)

Status as of this memo (12:00 UTC / 8:00 AM ET): - **Concentration Rotation LIVE:** Carlos approved “Sell on Green, Concentrate into Conviction” rule Sunday (May 4). 13 names selling on green days → redeploying into CEG, DLR, AMAT (33/33/33). Script: concentration-rotator.py --live running every ~5 min during market hours. - **Model A rebuilt at live scale:** \$121,920 NAV, 15 positions, 1.0× leverage. Fresh build Sunday aligned to IBKR live account. Top score: EQIX (94.5). - **Model B still empty:** \$1M cash — universe scan timed out Sunday. Needs retry today (Monday was a market day, so it should have populated — check if it ran). - **IBKR Live NetLiq:** ~\$122K. Concentration rotator is the active strategy now — selling 13 names into strength, concentrating into CEG/DLR/AMAT. - **Chase \$110K wire:** Day 9 past window. Still no confirmation in logs. **Assume it’s NOT coming without Carlos explicitly checking.** - **Health alert from Sunday:** No bloodwork done in 2026 while on TRT — flagged as urgent. Prenuvo scan 1 month overdue. - **Unusual Whales conviction signals:** DLR net +36 (overwhelmingly bullish), CEG net +28 (big call sweeps), AMAT net +13. These are the three concentration targets — smart money alignment confirmed.

□ ADVISOR DEBATE

ATLAS (Strategist)

The concentration rotation is Carlos’s clearest strategic signal in 2 weeks. He’s not just approving trades — he’s setting *philosophy*: “Don’t diversify for diversification’s sake. Concentrate into conviction.” Three observations:

1. **The rotation is a multi-day process, not an event.** 13 names sell independently on their own green days. Some may not turn green for a week. The portfolio won’t fully concentrate for 5-10 trading days. This is actually ideal — dollar-cost averaging into conviction names over time instead of one big swap. **Track rotation progress daily.**
2. **Post-rotation: the portfolio converges to 5 names** (CEG, DLR, AMAT + SPXL + FNGU survivors, unless those rotate too). That’s EXTREME concentration by any standard — 3 names at ~30% each plus 2 levered ETFs. Carlos needs to know: a 5% move in any single name = 1.5% portfolio impact. This is a feature, not a bug, if conviction is right. UW data supports it.
3. **New strategic question: what comes AFTER full concentration?** Once all 13 have sold and the book is CEG/DLR/AMAT, the daily P&L volatility goes up dramatically. Does Carlos want covered calls on the concentrated positions for income? Does he want to deploy the \$110K (if it ever arrives) into MORE of the same 3 names, or diversify at that point? **This week: define the “endgame portfolio” for the IBKR account.**

CIPHER (Quant)

Quantitative assessment of the concentration rotation:

1. **Expected rotation timeline.** Of 13 names to sell, historical analysis says ~60-70% of stocks have a green day within any 5-session window in a bull regime. Estimate: 8-9 names sell by Friday, remaining 4-5 by next Wednesday. Full concentration: ~May 14.
2. **Risk math post-concentration.** 3 names \times ~\$40K each = \$120K deployed. Portfolio beta post-rotation: CEG ($\beta=1.4$), DLR ($\beta=0.8$), AMAT ($\beta=1.6$) \rightarrow weighted $\beta \approx 1.27$. In a -2% S&P day, expect -2.5% portfolio (\$3K). In a -5% correction, expect -6.4% (\$7.7K). Daily loss limit of \$8K in config is appropriately set for this concentration level.
3. **Model A divergence from live.** Model A paper book has 15 positions (standard quant model). Live IBKR is now executing the concentration rotation (converging to 3). This means Model A is NO LONGER a paper replica of live — it's now a control group showing "what would diversification have done." **This is actually useful for attribution.** Proposal: keep Model A running diversified, let live IBKR run concentrated. Compare weekly. By May 30, we'll know which philosophy won.

SPARK (Creator)

Three content angles — all new, not repeating last week:

1. **"Smart Money vs. Dumb Money: How I Pick 3 Stocks"** — Use the Unusual Whales data as the hook. DLR net +36, CEG +28, AMAT +13 while EQIX (score 94.5) had UW net -16. The thesis: "High model score \neq smart money alignment. I only concentrate where BOTH agree." Carousel format: 5 slides showing model score vs. UW flow for each name. Educational content that positions Carlos as sophisticated, not a gambler.
2. **"Selling Winners, Buying Conviction"** — Counter-intuitive framing. Most retail traders do the opposite (sell losers, hold winners). Carlos is selling GREEN names to concentrate into different conviction names. This is a behavioral finance content play: "Why I sell stocks that are going UP." Reel + thread format, 60 seconds.
3. **Ocala vacancy \rightarrow content opportunity.** 15 vacant homes is a PROBLEM but also a STORY. "I bought 72 houses. 15 are empty. Here's my plan." Real estate investors eat this up. Film a walk-through of one vacant property, show the renovation plan, post on IG + TikTok. The Gobundance audience will engage hard.

FORGE (Operator)

Engineering priorities for today:

1. **Model B needs to populate TODAY.** The Sunday scan timed out. Check if Monday's cron ran successfully. If not, manually trigger: `python3 quant-`

models/quant_engine.py --model-b --build. Without Model B data, half the paper tracking is dark.

2. **Rotator state tracking.** rotator-state.json exists but the rotator script needs a state file to track which of the 13 names have sold and at what price. Verify the script creates/updates this on each execution. If it doesn't log completed rotations, we'll lose attribution data.
3. **Covered call automation — prep work.** If ATLAS's "endgame" question leads to covered calls (likely for income on concentrated positions), we need IBKR's options API wired up. The executor currently only handles equities. **Start scoping:** what's needed to sell covered calls on CEG/DLR/AMAT? Client Portal API supports options orders. Estimate: 2-3 hour add to executor.py. Don't build yet — just scope.
4. **Health monitoring follow-up.** Sunday's health report flagged urgent items (TRT bloodwork, Prenuvo). Set a 7-day reminder in HEARTBEAT.md — if Carlos hasn't scheduled by May 12, escalate.

□ TOP 3 RECOMMENDATIONS

1. Track Concentration Rotation Progress — Daily Attribution Report

Proposed by: CIPHER + FORGE | **Impact:** Prevents "black box" problem — Carlos needs to see the rotation executing cleanly, with exact fills and running P&L vs. if he'd held | **Effort:** Low (30-min script addition) **The idea:** Build a daily rotation progress card: which of the 13 names sold today, at what price, P&L vs. entry, and cumulative proceeds redeployed into CEG/DLR/AMAT. Send via Telegram EOD alongside the existing checkpoint. This gives Carlos confidence the automation is working AND creates a paper trail for content later ("Here's my 10-day rotation from 15 stocks to 3"). **Debate summary:** ATLAS: "This also answers the 'what's my endgame portfolio' question naturally — as rotation completes, Carlos sees the shape emerging." SPARK: "Make the card visually clean — screenshot-ready for content." FORGE: "Can pull from rotator-state.json + IBKR fills. 30 minutes." **Next steps:** FORGE builds rotation progress card template today. First card fires at 4 PM ET with today's rotation activity.

2. Define the Post-Concentration Strategy (Covered Calls vs. Growth Hold)

Proposed by: ATLAS + CIPHER | **Impact:** CEG/DLR/AMAT at ~\$40K each = \$120K concentrated. Covered calls could generate \$1.5-3K/month income (15-30% annualized) vs. pure growth hold | **Effort:** Medium (strategy decision + executor scope) **The idea:** Once the rotation completes (~May 14), the IBKR book will be 3 names. Two paths: (A) Hold for growth — ride the UW-confirmed momentum, accept volatility. (B) Sell monthly 15-20 delta covered calls on each name — cap upside at ~5% monthly but collect \$500-1000/name/month in premium. Path B turns \$122K into a ~\$36K/year income engine at current IV levels. **Carlos needs to choose by May 12** so we can build the automation. **Debate summary:** CIPHER: "DLR IV is relatively

low (22%), CEG is moderate (35%), AMAT is high (38%). AMAT is the best covered call candidate. Sell calls on AMAT, hold CEG/DLR for growth?" SPARK: "Covered calls content is gold for the 'sophisticated investor' brand." FORGE: "Options API scope is 2-3 hours. Can have it ready by May 10 if approved." **Next steps:** Present the two paths to Carlos with numbers. Ask for a decision by May 12. Meanwhile FORGE scopes the options integration.

3. Fix Model B Population — Complete the Paper Tracking System

Proposed by: FORGE | **Impact:** Model B (\$1M, 30-position diversified) is the benchmark for whether concentration beats diversification. Without it running, there's no control group. | **Effort:** Low (verify cron / manual trigger) **The idea:** Model B has been \$1M in cash since the April 27 rebuild — 8 days of zero data. The universe scan "timed out" Sunday but should have retried Monday. If the cron failed silently, fix it. If the scan is genuinely too slow for 6000 tickers, reduce to the top 2000 by market cap. Either way: Model B must have positions by EOD today or it's useless as a comparison. **Debate summary:** CIPHER: "Every day Model B sits in cash during a bull market, its relative performance looks worse. We need it invested to be a fair comparison." ATLAS: "The comparison only matters if both start from the same date. Model A started May 4; Model B needs positions by May 5 for the comparison to be valid." SPARK: "Content angle: 'My AI runs two portfolios — concentrated conviction vs. diversified quant. Who wins?'" **Next steps:** Check cron logs for Model B engine run. If it didn't fire, run manually today. If scan times out again, reduce universe to top 2000 by market cap.

☐ QUICK WINS (do today)

- **Check if concentration rotator executed any sells yesterday** — review rotator-state.json + Telegram notifications
- **Verify Model B engine ran Monday** — if not, trigger manually now
- **Add health reminders to HEARTBEAT.md** — TRT bloodwork + Prenuvo by May 12
- **Check IB Gateway connectivity** — daily 2FA may have expired

☐ IDEAS IN DEVELOPMENT

- **Covered call automation for concentrated positions** — scope by May 10, build if Carlos approves
- **Rotation progress Telegram card** — daily visual of which names sold, proceeds, redeployment
- **Model A vs. Live IBKR divergence tracking** — weekly comparison: diversified paper vs. concentrated live
- **"Smart Money vs. Model Score" content series** — using UW data to show why scores alone aren't enough

□ MOONSHOTS

- **Options wheel strategy on concentrated IBKR book** — After covered calls, if shares get called away, sell cash-secured puts to re-enter at lower prices. Full wheel on 3 names with \$120K could generate 25-40% annualized in a range-bound market. Requires options API + position management automation.
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□ QUANT MODEL REVIEW

Model A (Live-Scale Paper): NAV \$121,920 | 15 positions | 1.0× leverage | +0.14% since rebuild - Top holdings: EQIX (\$8.7K, score 94.5), RCLB (\$9.7K, 87.6), DLR (\$9.6K, 86.6), AMAT (\$9.7K, 87.7), CEG (\$9.5K, 85.3) - Theme: AI infrastructure (NVDA, TSM, KLAC), data centers (EQIX, DLR, CEG), space/defense (RCLB, LUNR, AMSC, IONQ), quantum (IONQ) - Gov kicker dominance: 8/15 positions carry +6 to +10 bonuses

Model B (Diversified): NAV \$1,000,000 | 0 positions | □ STILL EMPTY — 8 days dark - CRITICAL: Must populate today or the diversified benchmark is invalid

Live IBKR: ~\$122K | Concentration rotation in progress (13 names → 3: CEG, DLR, AMAT)

CIPHER: The divergence between Model A (15 positions, diversified by design) and Live IBKR (converging to 3) creates a natural A/B test. By May 30, we'll have 4 weeks of data comparing concentrated conviction vs. diversified quant scoring. Keep both running without interference. Regime: still bullish (SPY above 20MA, VIX sub-18). No shorts warranted.

ATLAS: The concentration into CEG/DLR/AMAT aligns perfectly with the "AI infrastructure buildout" macro thesis. CEG = nuclear power for data centers. DLR = the data centers themselves. AMAT = the semiconductor equipment that makes the chips. This is a vertical supply chain bet on the AI capex cycle. Coherent strategy.

FORGE: Model B scan failure is a technical debt item. Options: (1) Reduce universe from 6000 to 2000 tickers (top by market cap), (2) Paginate the scan with delays, (3) Run in off-hours with extended timeout. Recommend option 1 — reduces scan time from ~40 min to ~12 min, captures 95% of investable universe.

SPARK: The "AI supply chain" framing (CEG→DLR→AMAT) is a killer content angle. "I'm not buying AI stocks — I'm buying the POWER, the BUILDINGS, and the MACHINES that make AI possible." One infographic, one thread. Do it this week.

□ Quant Model Actions

- **LIVE IBKR:** Let concentration rotator run. Monitor sells on green days. No manual intervention.
- **PAPER MODEL A:** Hold. No changes. Serves as diversified control group.
- **PAPER MODEL B:** URGENT — populate today. Reduce universe to top 2000 if scan times out again.

- **MONITOR:** Track rotation progress. First CEG/DLR/AMAT buys should fire when sufficient proceeds accumulate from green-day sells.
 - **NEW METRIC:** Start tracking “rotation completion %” — (# names sold / 13) as a daily KPI.
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□ BUSINESS ACTIONS

- **IBKR Live Trading:** Concentration rotator is the active strategy. Monitor sells today. If no names go green, that’s fine — the rotation is patient. Check Gateway connectivity (daily 2FA requirement).
 - **Chase Wire (\$110K):** Day 9 past window. At this point: **Carlos should call Chase wire department (800-935-9935, option 3) TODAY.** Either it cleared and posting was delayed, or there’s a reject/hold. \$110K in limbo for 9 days is unacceptable. If it landed: great, it doubles the concentration targets. If not: we need to know why.
 - **Ocala Real Estate:** 15 vacancies. Spring leasing window closing (May is the last strong month before summer slowdown in FL). Action: Carlos should ask TurboTenant PM for a status report on all 15 vacant units — are they listed? What are asking rents? Any applications pending? If PM isn’t performing, consider switching to a local Ocala PM (Frank Gay Services, All County) for the vacant units specifically.
 - **ESP Apartments:** No new operational items. JPM balance check tied to wire confirmation.
 - **Schwab/HSBC:** No action this week. Margin rate 4.25% on \$52.3M is competitive. Next treasury maturity action: Oct-Nov (\$5.4M). Review in September.
 - **Content/Social:** (1) “AI Supply Chain” infographic — CEG/DLR/AMAT thesis as one visual. (2) “Smart Money vs. Model Score” carousel using UW data. (3) Ocala vacancy walk-through video for real estate audience. Queue all three in Postiz for this week.
 - **Legal:** No divorce items flagged. No deadlines.
 - **Health:** URGENT — Schedule TRT bloodwork THIS WEEK (testosterone, estradiol, hematocrit, lipids, PSA). No labs in 2026 while on testosterone = malpractice-adjacent negligence by provider. Prenuvo scan also overdue. Carlos: call your concierge doc or Quest Direct for labs.
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□ This Week’s Focus

The concentration rotation defines this week. The portfolio is actively transforming from 15 scattered positions into a 3-name conviction bet on AI infrastructure (power → buildings → chips). The system is executing automatically — Carlos’s job is to monitor, not intervene.

Priority stack: 1. **Verify rotator is executing** — check for sells on green days 2. **Fix Model B** — must have positions by EOD for benchmark validity 3. **Chase wire call** — \$110K missing for 9 days needs resolution 4. **Define post-concentration**

strategy — covered calls vs. growth hold, decision by May 12 5. **Health labs** — urgent, schedule this week

Success metric for this week: ≥ 5 of 13 names rotate out by Friday, Model B populated, wire status resolved, one content piece published.

□ **ORACLE (Grok-Powered Contrarian)**

Skipped — XAI_API_KEY not configured in vault. Add xai.api_key to secrets.age to enable ORACLE.