



# Foundation for the Study of Cycles

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*Dedicated to the interdisciplinary study of finding and analyzing recurring  
patterns*

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Summary of Our Business

# Executive Summary

## Who We Are

The Foundation for the Study of Cycles (FSC) is a 75-year old foundation that has preserved and disseminated the works of Edward Dewey. The Foundation is embarking on a startup business providing predictive analytics software based upon Dewey's work, to be launched in the coming year (2015). FSC will sell to predictive analytics professionals, financial analysts and directors of investment at large investment houses.

FSC is established as a L3C entity, founded by David Perales, CEO of the Foundation for the Study of Cycles. The company will be managed and directed by Nathaniel Hansen, M.A., a veteran Internet marketer with 15 years of experience in online marketing, and Marian Guta, a star technologist from Romania. Perales will serve as the company's CEO and Hansen as the company's COO.

## What We Sell

FSC will offer subscriptions to the Foundation's significant data, customized predictive analytics projects (priced individually per a customer's needs) and software licenses to its upcoming predictive analytics software suite. The software is unique, due to the accuracy of Dewey's work and the multiple markets to which his work applies.

## Who We Sell To

FSC will focus on predictive analytics professionals, financial analysts, traders, and directors of investment. We have found over the years that such professionals are the most interested in Dewey's work and the on-going evolution of his work through FSC customized research projects.

## Company Overview

Foundation for the Study of Cycles (FSC) is a 75 year old company that will provide leading edge software matching big data with over 5000 naturally recurring cycles to benefit financial market segments. FSC focuses on:

- Hedge Fund guidance
- Predictive Analytics software
- Pricing strategy
- Market Forecasts
- Business Intelligence
- Customized modeling for financial markets
- Customized ETFs
- International business planning and strategy
- Weather-based investments
- Business Process Management professionals
- Financial Analyst professionals

What will set FSC apart from the competition is our unique pairing of big data from any market segment with our proprietary knowledge based upon Dewey's theory of Cycles. We are the grandfather of predictive analytics and have produced software based upon Dewey's time-honored technique.

## Company History

### The Seeds of the Foundation

Before we were the Foundation for the Study of Cycles, there was a "committee." The Foundation is the outgrowth of the permanent committee set up at the First International Conference on Biological Cycles, held at Matamek, Canada, in 1931

### Circa 1941

Seventy years ago, a young economist from Harvard, along with some of the world's top scientists, set out to unravel a mystery.

Young Harvard economist, Edward R. Dewey, was Chief Economist for President Herbert Hoover at the beginning of the great depression. President Hoover assigned to him the task of determining the causes of the depression.

In January 1941, the Foundation for the Study of Cycles was incorporated in Connecticut, dedicated to discovering the mystery behind cycles. Since then, the Foundation has been working to shed light on this mystery.

### **The Depression... but not the only one**

Dewey discovered this wasn't the first time the U.S. economy suffered a depression. In fact, it had done so with some regularity.

After seeking out the opinions of economists, he realized the only answer they could give him were conflicting opinions with very little insight. Repeatedly, Dewey was led to the door of cycles.

### **Cycles synchrony**

While conducting some research at the Stamford library, Dewey encountered a report on biological cycles. As he read the report, he realized that the cycles biologists had identified in nature, were in fact, identical in both length and timing to those he had described in business and stocks. The implications of this discovery were to change his life, along with the lives of many others who would follow him.

### **Foundation's mission: Finding CAUSE**

Edward R. Dewey wasn't so interested in using cycles to predict the stock so much as he was fixated on the higher goal of discovering the cause of cycles, which he suggested was a force "Out There."

### **Foundation membership**

Over the years, the Foundation developed a strong readership subscribing to their monthly *Cycles* magazine for \$12.50 per year. The Foundation's membership was dutifully attended to by Mrs. Gertrude Roessle, membership manager, who played a strong role in the Foundation for more years than even Dewey had.

### **Public "reaction" to cycles**

Dewey noticed a peculiar reaction from people when he discussed cycles with them... a reaction that seemed to combine amusement, skepticism, and a certain suppressed fascination. As Dewey put it, "*Cycles get people. Pro or con, the idea*

engages strong emotions. One of our greatest problems is to keep people's thinking about our work on a level-headed plane."

### **First formal cycle studies**

Cycles were formally studied scientifically prior to Dewey's arrival, but only dates back to the nineteenth century. In 1847, Dr Hyde Clarke of England, published a paper attempting to correlate economic events with astronomical data—very much what we have accomplished with Zarathustra. In 1862, Clement Juglar reported on a nine-year economic rhythm that he recognized in Western Europe and the United States. This became known as the Juglar cycle. And, in 1892, Eduard Bruckner suggested there was a 35-year weather cycle operating in Europe, which many meteorologists claim is still operating. In the mid-20s, N.D. Kondratieff documented a 56-year cycles in wholesale prices later to be called the "Kondratieff Wave."

By the time the Foundation was established, efforts to understand all types of cycles were stepped up in the U.S. as people attempted to explain the depression.

### **Cycles, cycles everywhere**

Since the time of its founding, the Foundation has documented almost 5,000 cycles ranging from earthquakes and sunspots, to barometric pressure and temperatures, to lynx populations in Canada.

One of the most popular theories regarding economic cycles at this time was correlating peaks and valleys of the 11.15-year sunspot cycle with the tops and bottoms of common stock prices. However, evidence was scant and Dewey said, "I don't believe that sunspots as such have any effect on the stock market."

### **A healthy compromise**

Dewey admitted that "The activities of the Foundation are a compromise between the desires of most of our members... and our own desires." He ran a survey at that time to find out which element of cycles research most interested the Foundation's readership. It turned out to by 874 of the 1,108 (79%) that responded were primarily interested in stock market and other business and finance cycles. No surprise that a recent survey we conducted in 2010 indicated the same. Little has changed it would seem.

So, while we are a research organization interested in all the ways cycles impact our world, and with our primary purpose being to discern and make predictions from the underlying cause of cycles – much of our research centers around stock markets. This is due to two reasons: 1) Our membership is primarily interested in market cycles; and 2) Of all data, financial data is in the greatest abundance.

### **Dewey coins a new term**

Just as in Dewey's time, we have a certain number of cycles enthusiasts that become what might be called "cranks." These "true believers" become fanatical about cycles, losing all perspective. Dewey coined the term "cyclomaniac" to describe these obsessive individuals. The term also covered another group that didn't lose perspective, but did devote every waking hour to the study of cycles. Dewey included himself in the latter group. To keep his perspective, he always hedged his claims about cycles as he suggested that "Cycle knowledge is only partial knowledge."

### **A book is published**

In 1944, Dewey collaborated with E.F. Dakin on a book titled, *Cycles, the Science of Prediction*. In this, they focused on four key economic cycles: Kondratieff's 50-60 year cycle; Juglar's 9 year cycles; an 18 and 1/3 year cycle mostly applying to real estate activity; and a 3 and 1/2 year stock price and business activity cycle. It became a best-seller. The most accurate cycles, however, were found to be ones in specific industrial segments, rather than broader ones.

## **Products and Services**

### **Products and Services**

FSC is the grandfather of predictive analytics. We have developed data on over 5000 naturally recurring cycles. In this stage of the Foundation's life, we are matching "big data" from all available networks and sources with the perennial "forms" discovered through Cycles research. The result is extreme accuracy regarding future pricing, growth trends, and many more market-specific data points.

We offer:

- customized reporting for all market segments

- software development related to FSC research
- research
- predictive analytics solutions
- market forecasting

## Target Market

### Market Overview

FSC potential customers are divided into the following groups as shown in the market analysis:

**Predictive Analytics Professionals:** These are highly trained academics who have moved into the commercial side of their science, offering services to major financial services and hedge fund entities.

**Directors of Investment:** These are the lead figures at hedge funds and major asset funds. Our ideal prospect is well educated and even holds a Ph.D in analytics or financial analysis. He/she has applied his/her knowledge of analytics to the planning and strategic guidance of the firm.

### Market Needs

Many people suspect a connection between natural cycles of our planet and market movements. But there are few systems to fully explain this connection in layman's terms. For the first time, FSC steps forward with 75 years worth of deep knowledge in this specific area and develops software to answer humanity's pressing questions on this important topic.

As the grandfather of predictive analytics, FSC steps forward with deep guidance for all market segment planners and financial analysts, shedding light on the deeper influence of natural cycles upon market movements. The accuracy and depth of our data has startled industry experts, driving deeper interest from the highest levels of the financial world.

Specifically, we can show for specific assets the exact future movement and fluctuations based upon a variety of naturally recurring cycles. We can pin-point

buy and sell markers based upon perennial rhythms. We can illuminate previously un-plumbed depths of trading that mired market strategists in quagmires of doubt. We are the originator of all predictive analytics, based upon our founder Edward Dewey's classic work.