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How to Flip Houses in 7 Days or Less and Get Paid 2x

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Printed and bound in the United States.

How to Flip Houses

In 7 Days or Less and Get Paid 2x

Welcome to the CEO Fireside Chat, what we are going to be covering tonight is ***How to Flip Houses in Seven Days or Less and Get Paid Twice***. Some of you on here already have the ability to do what I'm about to show you. Unfortunately, most of you are not. Also, if you are new to the Fireside, just a quick disclaimer from me personally. For whatever reason, I get all kinds of fired up and sometimes very angry, during CEO Firesides. If this is your first time don't take it personally, just interpret it as me being incredibly passionate.

What is the CEO Fireside

These monthly success-building, all content trainings help you overcome common obstacles and enhance your business acumen for further growth and development. That being the case, we only want 200 of the most serious, involved entrepreneurs on the call.

Helping you achieve your financial goals

Today we're going to discuss the mechanics of wholesaling or how to wholesale the right way. I'm sure you have heard the term "wholesaling," and have been to various seminars that focus on wholesaling. Most people have, however the vast majority of people are not doing it properly. This is concerning because wholesaling really truly is, in my opinion, the first place you should go on any type of real estate transaction. People often ask me, "How do you know what to wholesale and how do you know what to fix and resale and how do you know what to rent?" I will give you my professional opinion: When I identify a great deal I first advertise it as a wholesale. My first line of profitability is to find another buyer, get out of the property, and move to the next deal. If I can't find a buyer on that deal within the first two weeks, I turn it into a rehab and retail property and start marketing the property about 30 days before my rehab is completed. In doing so, I create a buyers list of interested parties who I can then market the property to post-renovation. If I am unsuccessful in reselling the property, I am first going to look at some performance indicators. Did I pay too much? Did I over-renovate? Am I asking too much for the market? Am I priced too high? Am I not offering enough concessions? Am I not making the property attractive enough to an educated buyer? There are a lot of things from a performance standpoint that we want to look at as to why the property may not be selling. If I can't sell it through the normal channels, I will have to turn it into a seller finance deal where I am going to carry paper, a lease option, a contract for deed, or a rental property. That is kind of the progressive nature of what I want to do from the time I identify a property to the time I successfully implement my exit strategy.

But why wholesale first? It is the fastest way to create quick cash and I know the majority of people need quick cash. You don't have to deal with tenants or contractors, which is very time consuming. It allows you to make big money without cash or credit and there is little to no risk because you don't have to close. And you don't have to know very much about real estate investing, since you just assign the contract to another investor.

Example, I wholesaled a property about 90 days ago. I made a quick $6,000 on the deal and the guys that I wholesaled it to are still in the middle of rehab. That means they haven't made a dime yet. The downside of buying, fixing and selling real estate for a profit is your paycheck does not come until the very end.

I know that many of you are looking to go into real estate full time, but you cannot leave your job until you have replaced your income doing something else. Unfortunately, the direction that most of you go is into the fix and flip space, which is **NOT** the fastest payday. Wholesaling is by far the fastest way to make money in real estate. I am not a big fan of buying, fixing, and flipping until you have a $50,000 to $100,000 slush fund that you can utilize to pay your monthly expenses while you fix and repair. Make sure that you are doing these things in order so that you don't get yourself into trouble.

Helping you achieve your financial goals

One of the most frustrating things that I encounter out on the road speaking is when I ask you, "How is business?" What I often hear is that business has been slow, that you attended this seminar a year ago, and you spent $50,000 for all this training and education where they tell you it's a good idea to quit your job and so you do. Why? "Well, I wanted to focus on real estate full time." You don't focus on real estate full time until you have recovered or recreated the income that you are currently getting at your job. You have to have monthly income. If you don't have cash flow, you will become a desperate, motivated buyer and that is when you make really poor investment decisions. The worst thing you can be in real estate is a broke investor because broke investors are desperate and they make poor decisions. If you are out there right now and you know for a fact that you are a broke investor, then wholesaling is the strategy that you need to focus on. If you are out there right now and you are doing okay as an investor, but you still couldn't put together $100,000 of your own money if I called you tomorrow on an amazing deal, you need to be wholesaling. I am not saying that the world is ending and the sky is falling and you are a horrible person if you don't have money, I am simply saying you need to focus your strategy on your current income expectations and or needs. Think about it. Based on everything that I just said, do you need to be focused on wholesaling for the next 12 months or do you have enough that you can focus on rehab? There are only two answers here, wholesaling or rehab. If experience serves me well, I know that ninety-nine percent of people need to be wholesaling. If you fall in this category, you need to be focused on the thing that is going to put money in your pocket.

If you don't have cash flow, you will become a desperate, motivated buyer and that is when you make really poor investment decisions. The worst thing you can be in real estate is a broke investor because broke investors are desperate and they make poor decisions. If you are out there right now and you know for a fact that you are a broke investor, then wholesaling is the strategy that you need to focus on.

What is Wholesaling?

It's where a wholesaler puts a property, normally distressed, under contract and assigns or resells the property to another investor. The end buyer investor uses cash, lines of credit, or hard money loans to close on the property.

Here is a quick and easy example of a wholesale deal. The house will sell fixed up for $100,000 and needs $10,000 in remodeling. You put it under contract for $55,000 and find an end user buyer at $60,000 who will need to put $10,000 into it. They are now into it for $70,000. Once they sell it, after fees, closing costs and everything else, they will net, net, net about $15,000 to $20,000. The point here is that you made $5,000 in a matter of days whereas they are going to have to put $10,000 into the property and renovate and repair it. It is going to take them 30 to 60 days to get it up to par and another 90 days, depending on the market, to sell it.

Rehabbing and reselling does not happen quickly and that is the other fallacy that is out there—you can get real rich quick in real estate. When I was younger I used to believe that anybody could be a millionaire overnight. I had a dose of reality smacked in my face in 2008, 2009, and 2010 that said what comes easily, goes away easily. Since then, I have become much more of a fan of the tortoise than I am of the hare. Slow and steady wins every time.

Many of you are focused on the grand prize of, "I want to be a millionaire in 18 months." Why don't we work on closing a deal in the next 30 days? I think that is a much more obtainable goal. Some of you are thinking this is ridiculous. You want to do more than that. If you are already doing one a month, let's move it to two. If you are doing five a month, let's move it to ten. But let's keep it in perspective because I think that there is so much fluff out in the marketplace that you are convinced that you are going to be multi gazillionaires in the next 60 days. I am just here to put money in your pocket in the next 30 days and I don't care if it is a dollar. I would much rather put a dollar in your pocket in the next 30 days than fill you up with all these grand visions that never come to fruition. Let's be real. How do we do that? You are going to go out and find these wholesale deals. But first let's discuss what mistakes to avoid when doing the wholesale deal.

The Seven Deadly Sins to Avoid in a Wholesale Deal

Number One: Don't chase a deal if the seller isn't motivated. One of the things that I see you doing a lot is that you are holding onto prized anchors. Rather than going out and pursuing deals that you immediately know are good deals, you spend time on deal analysis, checking comps, and making calls with a seller that is demanding to close at full price valuation. It's okay for you to simply say, "I like your property. I like where it is and I will tell you that if your price is about 50 percent of where you are right now, I would close on this deal in a heartbeat. But given what you are asking for the property, I am afraid it's just not going to work. But do keep my name and number and if your pricing needs change, please call me." Then be done with the deal.

I use a term called, "tail." For those young single people on the call, it is not referring to the dating scene. Tail is referring to business. In business we automatically create tail in the way that we approach our prospects. Tail is something like this, you identify a deal and you say, "I am going to call you tomorrow." The offer to call tomorrow is called, tail. The more tail you create, the more chaos you have that you are not prepared to manage. What ends up happening is you don't call back tomorrow. You don't send a follow up email within 48 hours. You don't submit an offer within 36 hours and you lose credibility. So you should only be creating tail on actual deals where there is value in continuing a dialogue with a seller. If the seller is not motivated or is demanding more than you know you should or would be willing to pay, do not create tail by saying, "I will follow up." Simply tell them right then and there, "You are asking more than I am willing to pay and unfortunately, at this point, I am afraid this deal is just not going to work, but do keep my name and number and if your pricing needs change, give me a call." Now, rather than creating tail, we have created a future opportunity, but we have placed the onus of contact on that individual and we did not create tail for ourselves. I don't want ongoing obligations to fulfill on deals that aren't any good. Don't chase a deal if the seller isn't motivated and don't create tail on deals where there is no future value.

Number Two: Don't leave an appointment without leaving a contract behind or getting a signed contract. What this is referring to is if you are going to drive in your car and meet somebody at the property, there are a number of things that should have been previously established before you got in the car. First of all, what is the property worth? You can find this out through Google Earth or by using Zillow and Trulia. Granted, the valuations are not 100 percent accurate, which is why I prefer to use Agent First, which is a free application once you sign up an account through First American Title. With Agent First, you get actual sold comps, which will give you some indication of the square footage, the year built, and the size of the lot. You can get a pretty good understanding of what value actually is. So what is it worth and what can I get it for? One of the biggest time wasters that you have in your business is something that I refer to as, "time in car." I don't want to be driving to a property unless I am going there specifically to finalize a deal.

Some of you who have been up here for Lee's Inner Circle are thinking, "We went to a lot of properties and we didn't finalize the deal." I understand that, but that was for training purposes. In the real world, I do most of my business online via the internet and email and I only travel if it is a smoking hot, home run deal, meaning the deal is good enough that I want to go see and inspect the property myself and meet with the sellers to gauge the level of their motivation. When meeting with the sellers, I am going to look at things like, what do they wear when they show up? What are they driving? What is their persona? What is their level of fatigue as it relates to the property? Do they drive up to the property, get out of the car, and look exhausted from having to deal with this property? These are valuable data points when I have identified a motivated seller. But, until I have identified them, vetted them, spent considerable time on the phone and email with them making sure that they are indeed motivated, then and only then will I actually spend time in the car to meet with them. Many of you find a lead on the internet and then you immediately jump in your car and drive to the property without any data to support your trip. I repeat: biggest waste of time in your business is time in car. Do all of your vetting online. Do all of your seller motivation vetting on the telephone and then go to the property. Only then does number two actually work. We don't leave an appointment without leaving a contract behind or getting the signed contract because we have already done several hours' worth of work leading up to actually being on site at the property. Again, only do a couple of hours of due diligence on deals that we believe to be valid, not deals that we 'think' we can make work. If the statement, "We can probably make it work," ever comes out of your mouth, it is a bad deal, period. It either is a deal or it's not. You don't need to make it work. You simply need to spend more time finding more deals, so that you have a greater selection to choose from. If you have lost money in a real estate transaction, I bet you that at the time of doing the deal it was one of only two or three available opportunities that you had at that moment. You were in a situation where you either had to make money or save face with a spouse or relative. You became a motivated buyer. The problem with being a motivated buyer is you will eventually become a motivated seller because you paid too much and you have to get out of it so you don't go bankrupt on the transaction.

You have to have more options available to you, which means you need to be investing money on marketing. You need to be investing money on online lead generation. You need to get better at marketing, period. You are spending hundreds of thousands of dollars on training and seminars, but you are not even doing the bare minimum in marketing, which is often free like running a simple ad on Craigslist that says, "I buy houses, I pay cash and I can close quickly." Why spend more money to learn more stuff if you are not even doing the things available to you right now that are free?

Number Three: Don't mess with properties on the MLS. I will tell you that this Friday I am closing on a property on the MLS. But, you should also know that prior to even pursuing the property, I checked the title and I determined that the property was not only free and clear, but it was owned by an out of State owner. That is like the crème de la crème. That is the holy grail of real estate investing—free and clear out of State owners. That is my favorite lead. I actually have worked out a scenario with my realtor where she will comb the MLS and find me deals that are free and clear, where the owner lives out of State and only in that instance am I okay with you buying off the MLS.

If you are shopping the MLS for bank owned REO's, short sales, FHA, VA and HUD, none of which you can wholesale, and you need to make a lot of money in a short period of time, then this an exercise in futility. You may as well go pound sand and hope to make glass. It's not a good use of time and you're not going to be happy with your results. You have to invest time, energy, and effort in the areas where you have the greatest opportunity to get paid.

Number Four: Don't contract overpriced deals. Don't pay more than you know you can afford to pay.

Number Five: Don't quit your job until have you done at least ten wholesale deals. Also, as I stated before, make sure you have $50,000 to $100,000 in the bank as a cushion, slush fund, or working capital. Number one reason 80 percent of new businesses fail within the first 36 months is simply because they are undercapitalized. They simply do not have enough money. Wholesaling can help you create that cushion and to do it right, you need to maximize your time and energy. Getting rich is not difficult if you do the right things and you work hard and invest 70 hours a week on your business, which is the volume of hours you should be working if you are self-employed. Some of you just got immediately turned off because working 70 hours a week is crazy? You may be saying, "Haven't you read Tim Farris's book, *The Four Hour Work Week*?" Yes, I have and I will tell you that that guy made millions of dollars selling a book that is a bunch of crap, in my opinion. Making money and getting rich is a lot of work and it is hard work. The good news is, if you will simply invest the time to learning and doing, you will immediately set yourself apart from the other 95 percent out there. I warned you I was going to get fired up.

Number Six: Don't think of other wholesalers as your competition. Many of you when you see a sign on the side of the road and it says, "I buy houses," you think, oh great, here is another one. How many of you have actually written the name and the phone number down of the "I buy houses" guy? You want to know the biggest challenge that guys has? Finding inventory. He doesn't have enough inventory to fix and flip, which is why he is marketing for people to call him with good deals. As a wholesaler, that is exactly what you are going to be bringing him or her. Next time you see another sign that says, "I buy houses," write down the name and the phone number and I want you to call that individual and say, "Hey, great news? I wholesale houses. Tell me what you are looking for and I will go find it for you."

Lastly, Number Seven: Don't ever stop marketing.

First: Build a Seller List

To build a seller list we are going to respond to ads. Search for words like, "Owner financing," "Owner will carry," "Must sell," "Make offer," "Any offer considered," "Handyman special," "Needs work," "Investor special." This is all the search criteria that you will need to have your local real estate agent set up an auto-responder where their MLS sends to you all of the listings currently in the MLS as they come online that have the search terms, "Owner financing," "Owner will carry," "Must sell," "Make offer," "Any offer considered," "Handyman special," "Needs work," "Investor special."

Some other terms that I like are, "Mold remediation necessary," which you will get simply by putting in the word, "mold." The other one that I like is "Meth." Or, "This property has been banned by the Department of Health." If a property gets really bad, the Department of Health will shut it down and quarantine the area. When you buy it as an investor, you can remediate all of the issues, get a new certificate of occupancy from the Department of Health, and then resell it for a profit. What is great about those types of deals is that very few people pursue them because they scare them to death. "Lee, you want me to buy a house where they are manufacturing meth?" Yes, you better believe it! "What about all the environmental issues and everything else?" The more what-if scenarios and the more excuses that you can come up with, the better deal you are going to get because everyone else is coming up with those same excuses and avoiding these properties like the plague. I have always been a big proponent of the fact that you don't have to be the best looking guy if you are the only guy in the room. As it relates to finding great deals, if I am the only prospective buyer that a seller has sitting in front of him/her at any given moment, I'm probably going to get the property for whatever price I'm willing to pay. The uglier it is, the worse condition it is in, or the more dangerous it sounds, the better the deal could potentially be.

Look for distressed homeowners with equity and create ads to build a seller's list. Simply place an ad that says, "I buy houses for cash," with your phone number and the phone will start ringing immediately with as many as three to five calls per day. When you run these free ads on Craigslist, understand that the purpose of the ad is to simply begin developing a list of perspective sellers, as well as, a list of perspective buyers. The only reason to market anything and to run ads and spend money on marketing is to capture three pieces of data: name, email, and phone number, that's it. When you are investing money in marketing you have to make sure that you are collecting those pieces of data. You should also be implementing offline approaches like car magnets, bandit signs and postcards with the same message, "We buy houses for cash," and your phone number.
A quick funny story. I had a client that actually invested to do private consulting with me, which is

where I fly out to your house and I spend three days with you. I wouldn't recommend doing that as I charge $50,000 a day with a three day minimum. I have guys that are just as good that will do it for a lot less, but she wanted me, so I went. I get to her house and the first question is, "Show me how you make your phone ring. What are you doing to make your phone ring?" She said, "I posted some blogs here and there." I said, "Show me your Craigslist ads." She said, "I don't have any Craigslist ads." I said, "Show me your Facebook profile that says you're a real estate investor." "Well, I don't have a Facebook profile." "Show me your LinkedIn profile where it says you buy houses for cash and you close quickly." "I don't have that." These are basic marketing tools that you can utilize. One of the things that I also recommend in my pre-consulting, prior to coming out and working in a client's market, is that you invest in certain things. One of them is a car magnet. When we went into this particular client's garage to get in the car to go to some appointments, I noticed that on her garage refrigerator was the car magnet that I had her order 90 days ago. I said, "What is this doing on the refrigerator in your garage?" She said, "Lee, I have just been so busy I didn't have time, so I just put it there." I said, "You didn't have the time?" I grabbed the car magnet and without even turning a full 180 degrees, I slapped it on the side of her car. I said, "Done." You don't need to spend $150,000 for me to come out and put a car magnet on your car. Save yourself the money and just do it without me.

About a week after I left her town she called me and said, "Lee, you are never going to believe this. I have three people that called me today who want to sell me their houses at $.30 on the dollar." I said, "That is fantastic. Tell me the source of your lead." That is the other question I always ask. Once I identify how you are making your phone ring and the value of the lead to you and your company, we are then going to spend more money on that particular vertical to generate more leads for your business. She said, "I am kind of embarrassed to tell you. I was doing my research at the county recorder's office, just like you told me to do and while I was inside several other investors that buy houses at auction saw my car magnet and called me about some great deals." She ended up buying all three of them. It all happened because I took the sign off of her fridge and slapped it on the side of her car.

It's all about marketing. You can go to every real estate class in the book, but I will tell you there is no better investment in your business and on your business, than marketing. If you don't know how to market, then take a marketing class or come to one of our trainings. That is where I teach you how to market the way we do.

In regards to your online approach, you need to utilize social networking sites like Facebook, Twitter, LinkedIn, as well as a landing page. Sellers come to you through your capture page on the internet. This is the best and most cost effective way in finding sellers.
Lastly, of course, is networking, but networking with the right kinds of people. At the top are attor-

neys. Contact local probate, foreclosure, bankruptcy and real estate attorneys. Also reach out to real estate partners, like title companies, mortgage brokers, wholesalers, and anyone else related to real estate. Then I want you to notice where REI clubs fall in the list of importance. They are last. Many people spend a lot of time going to seminars and REI clubs, but I would venture to guess that less than a handful actually do a deal or have made money with people that attend those meetings. So I ask you: Is this a good use of your time? I would go a step further and ask: Of the events that you have attended in the past where you have collected business cards, how many of those leads have you actually followed up on as effectively as you could have? What I find most of the time when I work with clients in their homes and I ask them to show me how they create leads, they hand me a stack of business cards. I ask them where they got the cards and they tell me they went to a real estate investment seminar. Okay great, tell me how you stay in contact with these people. They tell me, “I have been meaning to enter them into my data base, but I haven’t done that yet.” Okay, well then guess what? We are going to spend time inputting the 75 business cards that you have had sitting on the side of your desk doing nothing for the last six months. They say, “Lee, you mean to tell me I paid $150,000 for you to come out here and tell me to do data entry?” Yes, money well invested, because if you are not doing the bare minimum, then you don’t need to be investing in the bare maximum. I always start at the ground level because I make more money doing the free stuff than I ever make doing all of the really expensive marketing. Most of you, if I were to ask what your marketing budget is, you would say, “What is a marketing budget?” How much money are you spending each and every month to generate leads and to make your phone ring? If your phone is not ringing, neither is your cash register.

Second: Gain Control and Put the Deal Under Contract

Offer a certain amount for the property, including a contingency clause, disclosure and a long closing period. Once the offer is signed, put it into a purchase and sale agreement which spells out the details of the sale and the property.

Once the offer is signed we are going to put it into a purchase and sale agreement, which spells out the details of the sale of the property as well as the right language. The contract must explicitly state that it can be assigned to another buyer. If you exclude this little clause you may be unable to get the contract assigned. You may be using either PME Black book or the Creative Real Estate Financers Kit to write your offers. Both programs use contracts that already have assignability language in them. When you are working with a real estate agent or you are using a State approved form, the boiler plate language is that the contract cannot be assigned, unless stated and agreed to somewhere else in the body of the contract. On that note, please do not put your offer name, your entity, LLC and/or assigns on the first page. Although everyone else may teach you to put it there, it is the worst place you can put it. The place you put it is on the addendum page, which is normally 15 pages deep in the agreement. By the time they get to it, they are either sold on your deal or they are ready to counter your deal and are already thinking of the terms and conditions that they are going to counter you with. Now, if it is a bank owned REO, a short sale, a Fanny or a Freddie, or an FHA or VA, they are going to counter the addendum and say, "This contract cannot be assigned," at which point you are dead in the water. This is why, if we are wholesaling for profit, we don't pursue those types of properties.

Third, get the title work done. Are there any title defects? Are there any lapses in chain of title? Are there any problems with documentation? Are there any unrecorded easements, errors, or gaps or are there any outstanding and unexpected liens or judgments?

The other thing that I always get on any property that I am about to buy is a home inspection. It costs $300, which is relatively inexpensive. A home inspection gives me intel about the property that I don't have to go out and personally collect myself. I don't know about you, but I am well past the days of being willing, anxious, and/or excited to climb around in attics and crawl space where spiders, mice and snakes reside. I don't like any of those things. So if I can pay someone else $300 to climb around in there, take pictures, and send them to me in a nice little PDF document that I can print off and look at in my office, I would prefer to do it that way.

The advantage of the title policy and the home inspection is that I'm prepared, literally, for any question that a prospective wholesale buyer might ask. "Tell me about the plumbing system." "As you can see the property inspector has notated that the heating and the cooling systems are okay, but we have some loose fittings on the water heater that are going to have to be tightened down and we also have an exterior pipe going out to the road that is lead and is going to need to be replaced." We can make educated representations as to the condition of the property. The easier you can make it for them to buy the property from you, the faster they are going to make a buying decision, sign on the dotted line, and give you your wholesale fee. That is the place we need to get to as a wholesaler as quickly as we possibly can.

Four, sign the assignment contract and your right to buy the property over to a real estate investor or a buyer. Complete the deal without actually owning the real estate or without any cash out of your pocket.

How do you price the wholesale deal? A good wholesale deal must be 25 to 40 percent below retail value and the more below you can go, the better. If you find a house that is worth $100,000 and you can purchase it for $93,000, you won't profit from the deal. You need to find a deal with a good profit margin so that when you wholesale it to somebody else, they profit from it as well. You might think that is a silly example, who in their right mind would do that? You would be shocked at the loan submissions we get here in our office from people. We had a loan come over the other day where they were buying it for $75,000 and they were selling it for $75,000. They wanted to get a loan from us and then carry financing for their end buyer. We said, "Wait a minute, if you get a loan from us and you are paying 14 or 15 percent on your money, what are you selling it for?" They said, "We are going to sell it for $75,000 and we are going to carry a loan at 7." If you sell it for the same price that you paid and you sign on money at 15 and you sell it at 7, you are effectively losing 8 percent a year. They didn't think of that.

When you get ready to go to closing you are going to get something called preliminary HUD's. Preliminary HUD's are dropped by the title company based on the information that has been represented to you by the closing agent. On the HUD's, at the very bottom it will say, "Cash to seller." As a wholesaler, you are the seller. "Cash to seller," that needs to be a net, net positive number because that number is the size of the check that you will get at closing.

What you cannot do is you cannot be greedy. Make sure you allow room for the next person to profit. Develop a system where motivated buyers or other investors want to do business with you because you passed on the profit. If a house is worth $100,000 and you can buy it for $60,000, don't attempt to wholesale it to another investor at $95,000. Instead wholesale it for $70,000 or even $65,000 and you will make $10,000 in a few days, which is a nice profit for you. The investor will make a bigger profit, but he or she also has to fix it up, borrow the money and take all of the risk.

I can tell you I recently wholesaled a deal where I bought it and then wholesaled it for $5,000, but my investor on that deal is going to make about a $40,000 profit. Some of you are thinking that is crazy. Why didn't I just do the rehab myself? I can wholesale 10 properties a month at $5,000 a pop and make $50,000 in a month. What do I care about one house where I am leaving $40,000 on the table? Where you might think I am leaving $40,000 on the table, I think I am simply lining and padding the pockets of my wholesale buyer so that they can buy more inventory from me as I obtain it. When you become a competent deal-finder and vetter, your buyers will overwhelm you with demands for inventory. You can literally make six figures a year easily never having to take title, borrow money, or do fix up and repair.

Those of you that think the problem with the wholesale deal is that it is all cash now, you have to pay taxes on it, and you are not producing any long term wealth. You are not gaining appreciation and you have no monthly income or cash flow from rents. However if you make $200,000 wholesaling, you can then put 20 percent down on a duplex, triplex, or four-plex and get conventional or private money loans at relatively reasonable rates. You can start building wealth that way. Right now the most important thing to you, the beginning investor, is getting cash. Eventually you need to develop a horde of cash so that you have options and you're not a motivated, desperate or greedy buyer or seller.

Third: Build a Buyer List

In tandem, as we create the seller list, we also need to be creating the buyer list. To do this, respond to ads with words like, “cash for houses, we buy houses,” and ask if you can contact them when you find a great deal. You are also going to create ads that will attract them to you like “Cheap house, must sell, $39,000 cash only,” “Looking for buyers to purchase homes at 50 to 70 percent of true value,” “Pre-list of 45 foreclosed, distressed homes”. Some of you are thinking you don’t have a list of 45 foreclosed or distressed homes. Actually, you do and the list is readily available to you. It’s called a foreclosure list. Some of you are in markets where you have tax auction properties. Whether or not you actually go to foreclosure auctions or tax list auctions, you can still procure the list and use it as bait to attract interested parties. Anybody that responds to this ad, you can provide them the foreclosure or tax auction list. Lists are the easiest thing to come up with, but most investors either don’t have the knowledge as to how to obtain the list or they don’t have the time to get the list. If all they have to do is give you their name, email and phone number to get the list from you for free on a weekly, monthly, quarterly basis, they will do it and you will build a list very, very rapidly.

In 2003 I started a company called The Foreclosure Group and this is exactly what we did to build our database. We procured the list of properties going to foreclosure sale. We would then provide the investors, who would sign an exclusive buyer/agency agreement with me, the list of pending foreclosures, as well as, short sales coming online that were going to auction that day, that week, or in the coming two weeks. We would then create and provide to these investors documentation, title searches, lien searches, and tell them which properties they should buy. We would email them the opening bids at the auction and then we would actually go down to the auctions and we would bid for our investors. We charged them three percent of the assessed value or three percent of the bid price, whichever was higher. You might find it fascinating that in our first year in business, we did $1.3 million dollars in revenue in commission income and we didn’t buy a single house.

You have to be a little more creative as it relates to investing in real estate because there are so many ways to make money in real estate. The one thing I love about real estate is every time a deal closes, 25 people get paid—the real estate agent, the title company, the property inspector, the plumber, the water company, the sewer company, even the local elementary school (because of the tax base that comes with it). Everybody is getting paid! And investors will pay dearly for the information that is readily available, public record. You simply compile it, put it into a format that is easily consumable by them, and provide it to them on a weekly basis. The minute you stop they will be screaming bloody murder because their source of leads was coming from you. I have helped other clients set up the very same platform. But if you charge a fee or a commission on the acquisition of the property of foreclosure sale, you'll need to have a real estate license. I am a licensed broker and I have been for 14 years. If you don't want to get licensed, you can charge a fee for the data feed. I had a client who was charging $100 to 50 or so clients a month simply reselling public records the same day that it is available to everyone for free. That's pretty good money for sitting at your home computer and pulling public record and doing research that is all easily and readily available online.

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We don't do that anymore. I found out that there was actually more money to be made lending the money, which is why our company predominantly focuses on financing. We now provide financing to real estate investors nationwide and we do a lot of foreclosure auction refinances. We don't provide money to investors to buy at the auction, simply because there is no way to secure our collateral. We will encourage them to go find local money—Mom and Pop money where you can borrow it for 14 days and acquire the property at the auction. We actually have a product called ***Fortunes in Foreclosure*** that teaches you everything you need to know about foreclosure investing. So you obtain the capital for bid and buy and then we will refinance or take out your interim investor. We actually have several clients right now that have $200,000, and they are buying the properties at auction with their own money and then use our money to refinance their capital out. They are carrying their inventory on our capital, not on their capital, which gives them more bang for their buck. Literally, if you have $100,000 right now you could go to the auction, buy a house and submit a loan application to us. We will refinance it and you get your $100,000 back *and* you keep the house. Now you can fix it up, resell it, and in the meantime you have your $100,000 to go and do it again and again and again. This is, of course, assuming you know what you are doing because you can get hurt pretty bad at auction very quickly if you don't, so be careful. You can take that same $100,000 and you can do this ten times a year. Let's say that you are making $20,000 per house, $20,000 per house on ten houses in a year is $200,000. If you started with $100,000, you just made a 200 percent return on investment! That is pretty good. You have to understand that there is incredible power and value in leveraging your own available capital and for those of you that have the capital, there are even more strategic ways that you can do this through a self-directed IRA where all of your profits would be tax free, which is how I choose to invest.

When I invest in real estate, even on my wholesale deals, I am actually buying them in my IRA because I only have to put $500 down in earnest money deposit through my IRA and then I wholesale the deal. If I put $500 down and I charge a $5,000 assignment fee, I just made $5,000 on a $500 investment? That is 1000 percent return and it is all tax free!

If I was consulting you I would ask you to show me your portfolio, your assets, and your liabilities. We would look at much liquidity you have, how are you are turning your liquidity, and what the velocity of your capital is. We would also look at how you are moving your cash in and out of your accounts and whether or not you are utilizing tax free environments. Where are you depreciating your assets so that you're lowering your tax exposure or your tax liability? There are a lot of things that we would look at. Again, this is not just me, this is what all of our consultants and trainers do, but these are things that you need to be considering.

You may be wondering, "What if I don't have money?" You can actually do this with no money. In fact, if you don't have money it is even better because when you have money you are tempted to use it and using your own capital greatly reduces your ROI. Think about it. My ROI is at 1000 percent, if I invest $500 and make $5000. That's 1000 percent ROI! What if I use none of my own money and I still make $5,000? Now my ROI is infinite. So having money is often times detrimental to your yield. Don't let not having any money discourage you because you don't need it if you know what you are doing.

Back to building your buyer's list: Using an offline approach, you can call rental owners, both Section 8 and regular rental owners. I will tell you that there is no owner of real property more motivated to sell than the guy or gal that has a For Rent sign in front of the property. What that For Rent sign tells you is that he or she has one or more vacancies and when there is a vacancy, the owner is responsible to cover the debt service of that empty apartment. When I see a For Rent sign I write it down or I take a picture of it and the address of the property. When I get back to my office, I check public record to identify if there is an underlying mortgage on the property. If I see a four-plex with For Rent signs in two of the properties, that tells me is he has a 50 percent vacancy. If I then go in and see that his mortgage is $200,000, I know that he is probably spending about $2,000 a month and asking $600 per month, per unit, he is coming out of pocket $800 a month to cover his negative cash flow right now. That is incredibly painful for people who own real property. The other problem with vacancies is that you have to invest money into them to re-rent them. You have to put in new paint, new carpet, and even new kitchens if the property is outdated. You also have to spend money in marketing an energy and time in vetting the tenant. You have to collect deposits, first and last months. You have to get them to move in and then you hope that they will stay. There is no better pain point indicator than a For Rent sign.

You can also call bandit signs, “We buy houses for cash”. Call For Sale signs, especially rehabbed sales. See if the seller is an investor ready for new property. You know your neighborhood pretty well and you know that there is that one ugly house on the street. The next time you see that there is a dumpster that has been dropped on that property and you actually see people working on the property, stop the car, and go talk to whoever is working there. You are going to encounter one of two scenarios. Scenario one, it is the person who bought it. You are talking directly to the principal, but they are not doing volume because anybody who is investing and doing volume does not have the time or the capacity to be doing their own rehab. If they are there doing their own rehab they are probably doing five to ten houses a year max. You cannot scale if you are the one doing all of the labor, like painting, roofing, or hanging the sheetrock. I would much rather pay someone else $18 to $25 an hour to paint and hang sheetrock while I find new deals.

The second thing you are going to encounter when you are out there is a contractor, either someone that they have contracted with as an independent or an actual employee of the entity that is buying the property. Either way, they are a great resource because they know all of the properties that their boss has purchased and currently has available for sale. Ask if you can get their bosses name and phone number. You then want to call them and identify the types of properties that they are looking for because you are a wholesaler and you are constantly coming across amazing deals that he or she can buy. Here is why the contractor will generously give you any information you need to know. If they are an employee, they only are employed as long as there is work. If you have new properties coming online, that is new work. If they are an independent contractor they only get paid on new work and if you are going to go to the guy or gal that hired them with more inventory, they are going to have more consistent and steady work. If they are unwilling to give you the information, maybe you should remind them of those things again.

With the online approach for building your buyers list you’ll want to utilize social networking sites like Facebook, Twitter, LinkedIn, Craig’s List, etc. From a dollar per dollar investment and from a marketing standpoint, obviously Craigslist is the greatest ROI because it is free. You are only investing time to do it. However, if you want a more targeted approach, I would try Facebook. If you are not familiar with marketing on Facebook, I want you to go to Facebook and scroll down to the very bottom where you’ll see a link that says, “Advertise.” Click on that and read the Facebook advertising policies, rules, practices, and procedures. What you'll see is that you can actually target anybody in your zip code, your city, or your county who has noted real estate investor somewhere in their online profile. Now you can buy custom target ads like, "Do you buy houses?" "Looking for inventory," "I have houses that you can make $100,000 cash on easily." You can have these ads only seen by those Facebook accounts that are already listed as real estate investors. That means you are getting a great message to market match. Only the people interested in buying your inventory are actually seeing your ads. That is awesome. Secondly, Facebook is so geo-targeted that you literally can get down in a territory of 500,000 people and identify within a few clicks the five people that are the best suited for the opportunity you have. You can scale that, it can be five, it can be 15, it can be 5,000 and the number of clicks that you make, thereby limiting the search criteria, the more customized your list will become.

If you want to get even more technical, you can actually do what is called retargeting. If they click on your ad you can actually pay Facebook to re-target that person and now every time they log into Facebook your ad will pop up. If you have been wondering why you keep seeing Lee Arnold's name popping up everywhere, it's because we retargeted you. You can either be annoyed or you can be impressed and educate yourself how to do it. We spend millions of dollars a year on marketing, so don't reinvent the wheel, just do what you see us doing. Retargeting is an awesome tool and Facebook makes it available. Also utilize a landing page, where buyers can come to you through your capture page on the internet. This is the best and most cost effective way to find buyers and sellers.

You also need to be networking. You have to elevate your position in life and start dealing with professionals and stop dealing with looky-loos and tire kickers, which are typically people who go to free seminars. That is what an REI club is. Again, I am not making a blanket statement, I am sure there are a few scenarios here tonight where you have made money with people you have met there. That is great, but that is more the exception than the rule. If you want to make big money you have to target people who have big contact lists. That would be foreclosure and bankruptcy attorneys and title companies.

So, what is a buyers list? It really is your bread and butter. A well devised buyers list contains the contact information of people that may serve as potential suitors for your subject properties. It is essentially a list of buyers you should contact immediately to carry out the final phase of your particular exit strategy. Essential information on a buyers list includes first and last name, email address, phone number, buying criteria, type of funding and other pertinent information.

Here are some questions you should ask to understand your buyer.

- What type of properties are you looking for?

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- What areas are interested in?
- What price range are you looking for?
- What is your level of experience, meaning how many deals have you actually done?
- How do you plan on financing the deals that I send you?
- Do you have cash?
- Are you working with a private investor locally?
- Do you have a private money company that you are working with? If so, I would like for you to send me a proof of funds letter.

Notice that I don't wait to have a deal. I am pre-vetting my buyers because I am not going to waste time taking home run deals to people who may or may not have the availability or capital to close. Time is money, so these questions are specifically meant to vet out the people that we should invest the most time with right now. I am not interested in maybes and "Well, I will see, let me look into it." No, I want to know the buyer's experience level, the amount of deals he or she has done, and the amount money ready for deals. And if the buyer doesn't have any of his or her own money, I want to know who is financing the deal and how quickly they can close. I also need to know what the buyer thinks is a good deal. Is he or she looking at percentage of value, minimum profit or minimum cash flow? Basically we need to figure out how to pre-vet the numbers that the buyer anticipates so that we don't waste time pitching wood. That is another sales term which means pitching garbage. If the buyer wants to buy four-plexes, I am not going to waste time with single family homes. I will only call him or her when I have four-plexes. If the investor needs to have at least a $25,000 spread and I have a deal that is pretty thin at net, net, net $15,000, I am not going to call that investor. Asking these questions, if positioned properly will really get the investor on your side and they will tell you whatever you want to know because you are an educated professional that values other people's time. You are not going to waste their time pitching wood. You are only going to call them with the deal that fits into their exact investment criteria.

Finally, make sure you ask, "What level of repairs are you comfortable with? Are you somebody that wants to put lipstick on a pig or are you a licensed, bonded contractor with crews and tools and equipment and skill sets and abilities where you can do major cosmetic improvement?" Now when I say major, I am talking about adding square footage, adding floors, putting a new roof pitch on the property, reconfiguring the floor plan, dealing with bearing walls, dealing with electrical, plumbing, you name it. The higher the level of repair that they are comfortable with, the higher on my list they are going to be because I can literally call them with anything that I believe will be a good deal. I prefer my guy is a licensed, bonded contractor because this is their business. This is their meal ticket. They get it and I don't have to explain anything to them. As a wholesaler, that is who I want to be selling to.

My last case scenario is the newbie investor that has never done a deal. Why? Because I am going to have to babysit and spoon feed him through the entire process. But I am willing to do that because in so doing I create a new constituency of buyers. You see the problem with dealing with seasoned pros is they are so locked into a set criteria, that if it doesn't fit they are not interested. But if you have the wherewithal and patience to work with newbies, walk them through the process, and help them make money on deal one and then on deal two. For those of you that are coming to the end of your careers, you are really more in retirement mode and you are looking for retirement savings money. You probably have more time that you could invest in helping those types of people and there is value in doing it, especially if they are younger because they have a very long selling cycle. If they are in their 30's and 40's, you could be wholesaling houses with them for the next 20 or 30 years, unless you are 90 and then you will have to teach your kids to wholesale to them. The point remains the same, if you train them, you can create a constituency that you can continue to off load properties to.

Fourth: Assign the Contract

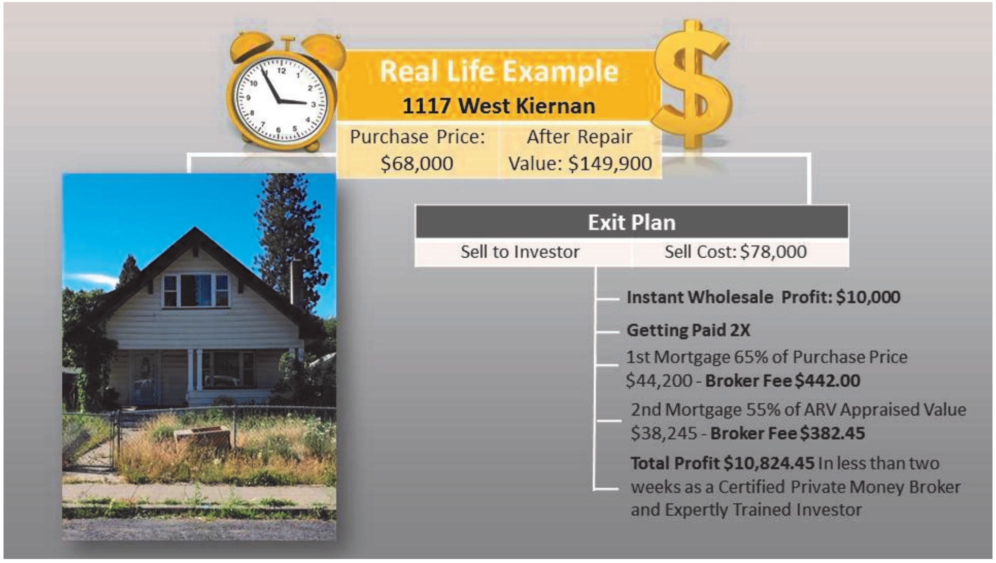
Now we can finally assign the contract. Assign your contract over to the buyer by executing an assignment of contract agreement. An assignment agreement states that you are assigning your interest in the original purchase contract over to your end buyer for X amount, which is your assignment fee.

Example: The original contract with seller is for $100,000. You find an end buyer for $105,000, you fill out an assignment agreement saying that you are assigning all of your rights and the original contract over to your end buyer for the amount of $5,000 and you collect a deposit from your end buyer once the assignment agreement is executed. You then fax or email a copy of the agreement to your title company. Then you simply close and get paid. On the day of closing the seller and end buyer will show up to sign all the documents and the end buyer will bring funds for the purchase of property, plus your assignment fee. Once everything has been signed and the money has been collected for the purchase, the title company will cut you a check for your fee, you can then celebrate, but don't forget the most important step for your bottom line, you will need to rinse and repeat the process over and over again!

How to Get Paid Twice!

That brings us to the question, what if you could get paid two times on the same deal because who wouldn't like that, right? Here is how you get paid twice. First you find a deal with equity and you assign the contract for $5,000 or $10,000. Then you broker the deal to the investor you are selling it to with COGO Capital financing attached. Admittedly, this strategy is somewhat self-serving because we get a loan out of the deal, but we will pay you handsomely to bring us the deal and you will get a broker fee. That means you will get paid twice.

Let me give you an example of how this works. This is a real life example and for those of you who were up here for the Lee's Inner Circle about three weeks ago, you are very familiar with this deal because this is the house that we inspected and walked through. You can see it is a little rough here. There is a lot of debris in the front yard and the grass has grown up around it. But we were able to get into it. Most foreclosures, when they are vacant, are relatively easy to get into. You might be thinking, "That is breaking and entering!" I can tell you that there have been several occasions where we have actually had the cops called on us. In each case I have explained myself to the officers this way, "Well sir, my name is Lee Arnold and I am a real estate investor and I am going to go down and bid to buy this house at auction on Friday or Tuesday or whenever the auctions are held in your market. So I am inspecting the property. My intentions here are to purchase it, renovate it and then make it really beautiful and I can assure you that the neighbors surrounding the property are going to be very glad that we were here." All three times this has happened, true statement, every one of the responding officers asked for my card so that they could learn how to become real estate investors too.



Regarding this house, you can tell that the owner clearly does not love this property. Regardless of the outside, I can tell you that this property was in good shape. The siding was decent and with a little elbow grease, it will have great curb appeal. Since acquiring the property we have removed all the trash and mowed the grass. All of the debris is gone and the house actually looks pretty good. The opening bid on this property was $54,000 and I bought it for $68,000. As I mentioned before, this was during Lee's Inner Circle. There were about 18 people up here in the Spokane/Coeur d'Alene area at the auction observing the whole process. As a wholesaler, I am going to look at the value of the property as it presently sits and then I am going to compare it to the after repaired value. It is the ARV value that will allow you to market and sell the property to an investor. Under the COGO ARV program, we can do 65 percent of the purchase price. Here is where we are at. I bought the house for $68,000. In a normal situation I would mark the property up $10,000 and I would wholesale it for $78,000. In this case, I simply asked who, of the 18 people there, wanted to buy it from me. A woman by the name of Erma raised her hand and said she would. She asked what I was going to charge her and I told her I would sell it to her for $68,000. She said, "Wait a minute, you aren't going to make any money on the deal?" I said, "No Erma, I will make money on the loan. I don't need to make money on the deal." Because Erma is a Lee's Inner Circle investor and because she took decisive action, she stands to make about $30,000 net, net, net on this deal.

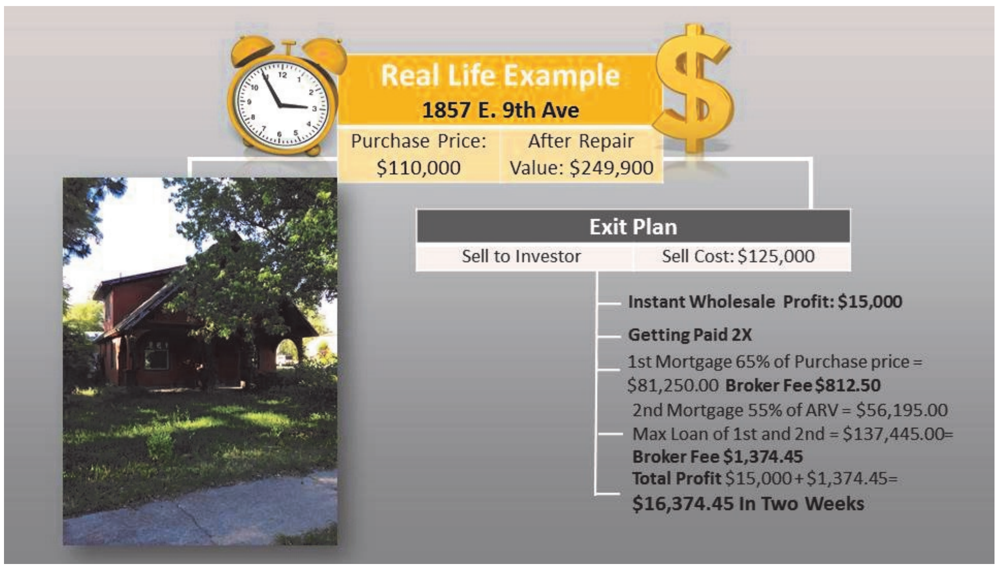
I will tell you, if she were not there, I would have bought this house at the auction for $68,000 (yes, I use my own money at auction and if you are going to utilize this strategy you will either need your own money too or a local source to back you) and I would have wholesaled it for $78,000 to an investor end-buyer. Assuming I sold it for $78,000, here is how this deal would have broken down. I know that COGO will give this end-buyer 65 percent of the purchase price. The purchase price in this scenario is $78,000, so sixty-five percent of $78,000 is $44,200, which is, as you can already see, not enough to cover the acquisition cost. However, COGO Capital also does ARV lending. So, COGO will lend 65 percent of their purchase price of $78,000, or $44,200, and then will also do 55 percent of the ARV. The ARV is $149,900, which means we can do a second mortgage for $38,245. Meaning, the investor gets, not only the $44,200 for the first, but also the $38,245 for the second. So basically this investor can come in with no money down and acquire the property. By working it this way, I have made this deal incredibly attractive to the investor. I acquire the property, I wholesale it for $10,000 to the end buyer and I broker Cogo money so the end buyer doesn't have to worry about the deal ***or*** the money! I get $10,000 paid out at closing and the broker fee for brokering the private money loan. I get paid twice on the same deal! All this and I didn't have to do a thing to the property.

> Now here is the real value: how much more quickly could you sell this property by attaching financing to it? How much more successful would you be if any buyer that you brought to the table had a ready source of capital? As a certified broker with COGO, you now not only wholesale property, you can also provide the financing to your end buyer.

Helping you achieve your financial goals

Let's break this down into real numbers. If you become a certified broker for COGO, which means you can bring us deals and get a fee, not only would you make the $10,000, but you would also make $824.45 in broker fees. Now here is the real value: how much more quickly could you sell this property by attaching financing to it? How much more successful would you be if any buyer that you brought to the table had a ready source of capital? As a certified broker with COGO, you now not only wholesale property, you can also provide the financing to your end buyer. That is powerful and you should really consider that as a strategy.

Here is another deal. This house is listed for $130,000. The agent told me that they had around nine full-price offers at $130,000, but all had hair on them. Knowing that this was the case and knowing the neighborhood of the home and its after repaired value was about $249,900, I knew that I needed to write my offer very aggressively.



So Lee's Inner Circle group went out and inspected the property. Everybody loved it because it was already a great house. All of the plumbing and electrical was done. It had a new water heater, furnace, roof, and new windows. Essentially all of the expensive repair items were done, meaning it was simply an internal rehab and cosmetics job. I wrote the offer as is, without any contingencies. It didn't have the normal subject to inspection, subject to partner approval, stuff that we would encourage you to include in the offer. I wrote it with a $5,000 earnest money deposit and to close next Friday. Within 24 hours they accepted the deal. I am selling it to Joan and Robert for my price of $110,000 because they came to the Lee's Inner Circle.

If they didn't buy it, I would mark it up to $125,000, and make a wholesale fee of $15,000. On top of that, I would broker the loan to the end buyer, which would look like this: the first mortgage at 65 percent of acquisition, which is $125,000, so we would be looking at $81,250 on a first. Then we would do 55 percent on a second based on an after repair value of $249,900, which gives us a second of $56,195. The total financing here would be $137,445. When all is said and done, I am going to get my $15,000 for my wholesale fee and I am going to make $1,374.45 for brokering the loan to

COGO.

Now consider this, on just these two deals in the span of one month we made $10,000 on the first, $15,000 on the second, which is a total of $25,000 in wholesale fees. The income from the broker fees is an extra $2,198 a month based on these loan amounts. Now if you're in San Francisco, you are going to be doing $600,000 loan amounts, so your brokerage fees are going to be $6,000 per deal because your real estate values are much higher. If you're in the Midwest or the Southeast, you are going to be dealing with properties typically under $250,000, so you are looking at $2,500 to $5,000 in broker fees. Do the math accordingly, but I am talking about two wholesale flips a month where you are brokering the deal to COGO.

Let's extrapolate this into a year. If the income from broker fees was around $2,198 a month and you times that by 12 you get $26,376 a year. The cost of out Broker Certification Training is just $2,497. That's a 946 percent return. What is more interesting is the total income in wholesale fees per year. At $25,000 per month times 12 that is $300,000 and that's without ever having to actually buy or take possession or ownership of real property.

The thing you have to consider is, as a certified broker, you not only wholesale the deal to an end investor who is going to do all the renovation and repair, but you can you sell it more quickly when you are also providing the financing as a certified broker for COGO Capital. Think about that. I would love to see more of these types of deals coming in. We just got a submission today where this is exactly what they are doing. The person went out and found a great deal. They identified a buyer and they have now brought the buyer to us. We are in the process of vetting the deal and ordering the appraisal. Not only will we close and provide financing, the certified broker will get a broker fee on top of the amount of $7,000 that he is making on the wholesale assignment. That is powerful! You are getting paid twice! You are compounding it and you are able to sell property much more rapidly because you have the financing vehicle attached.

Why should you broker? The numbers that I showed you were based on just being a certified broker, and, again, those fees were on top of the wholesale fees. All you need to do is simply create a sellers and a buyers list and then get certified as a broker so you can offer COGO financing on all your deals and start making these additional checks on top of what you are already doing. As a private money loan broker or wholesaler, your job is simple. You find and assign your wholesale deal to another investor and you get your assignment fee, which is your first payment. You submit the private money loan packet for the investor to COGO Capital and we then add your one point fee to the private money loan quote and communicate the terms to your investor borrower. Once your borrower has agreed to the terms, we begin the loan process. Your broker fee is paid to you at the loan closing, which is your second payment. Again, this is all done without doing any rehab, with tenants or toilets.

My investment here with you tonight is really self-serving. I need your deals. We need more deal flow, either from you on the deals that you are bringing us or from those of you that are becoming certified brokers. We need you out there bringing us more deal flow. The best compliment you can pay me and our company is to bring us business and allow us to fund your deals.

With that, I will sign off. God bless you, have a great evening. Thank you for your time in being here. It speaks highly to your level of commitment to the success of your business and I am humbled by your participation.

The Circle of Wealth

After years of teaching and mentoring around the nation, I found that education doesn't mean a lick, if the person being taught doesn't have the capital to put their knowledge into genuine action.

So, I took the challenge and created a place, Private Money Exchange, where real estate investors could go for unlimited funds for their non-owner occupied investments.

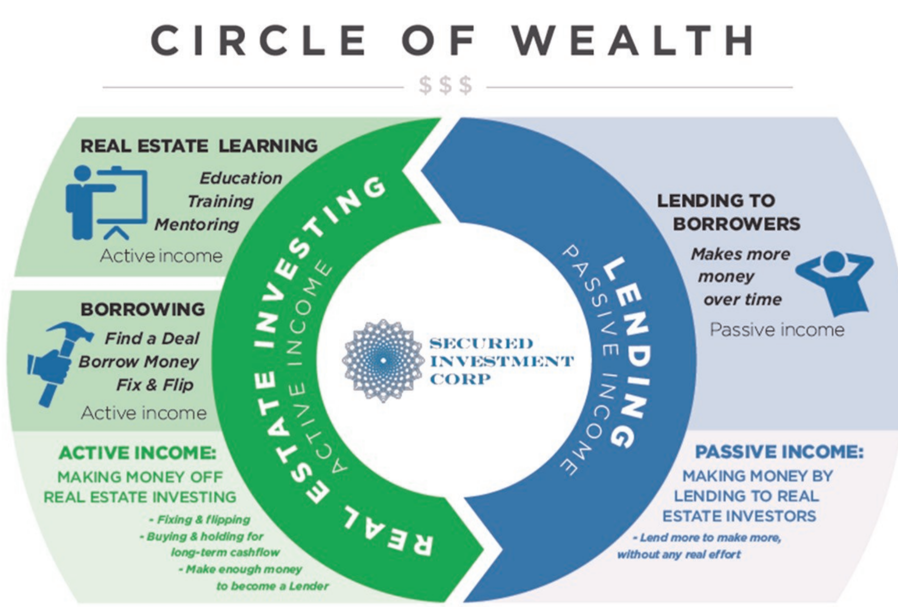
While the progression seemed natural, we were missing one, very large and essential piece of the pie. The marketplace was teeming with people who had the funds, who aspired to make higher returns on their invested dollar, but lacked the desire to get involved in real estate at the ground level.

In light of this opportunity, we created Secured Investment Corp, which gave people a medium to lend on first trust deeds (real estate), and make higher returns than they were currently seeing in their stock market, bank CDs, or bond investments.

As we combined all these facets—training, funding, and the means to lend on real property—we began to notice a progressing trend of growth and success with the clients involved.

Through this model, what we call "The Circle of Wealth," we also noticed that people who entered in at the training level and borrowed funds for their real estate investments, eventually became lenders in their own right. They then helped others obtain the capital needed to grow their real estate portfolios.

This allowed everyone, on every side, to win!



It is our goal that everyone can enjoy some level of success in The Circle of Wealth, and inevitably lap it several times over!

We hope you're one of them!

Who Is Lee Arnold?

Like most self-made millionaires, I began at the bottom of the financial food-chain. My humble beginnings started as a bag boy at a local grocery chain in Spokane, Washington working for $3.90 per hour. My first “aha moment” happened while I was aspiring to a management role at the store and was reading the life-changing book, “Rich Dad, Poor Dad” by Robert Kiyosaki. Suddenly my management aspirations looked very small, but my future possibilities became extremely big.

My second “aha moment” happened while I was sitting in a philosophy 101 course in college. My attention span was divided between the slow ticking of the clock and my professor’s long winded discussion on the economy. While the minutes ticked by, he let it slip that he was making only $45k a year. That information and the knowledge I gained from Kiyosaki’s book, made me realize I was on the wrong path to success and needed to make some very important changes fast. So, from those experiences and an influential nudge from an incredibly persuasive late-night infomercial, I went into real estate.

I began the way many people do—in the educational and training space. Like many, I went to real estate seminar after seminar and bought course after course. Through long years of trial and error, I built up a very profitable, million-dollar real estate business from the ground up. I’m proof-positive that the training system can and does work! Because of this, I decided to help others by teaching them how to translate workbook education and real estate theory into the real world of real estate investment.

SMARTER INVESTING: Experience & Discipline

It is because of investors like you, that we are able to promote ***The Circle of Wealth*** and help individuals, of any background, familial, or income status to receive the training, the funding, and the return on their invested capital that they need to be truly successful. It is our goal to make those who aren’t, “Millionaires,” and for those who are, “Philanthropists.” We are grateful to provide a platform where investors not only earn the returns they seek, but also finish each day with the intense satisfaction that their investment allows someone else’s dream to be manifested.

THE Lee Arnold SYSTEM OF REAL ESTATE INVESTING

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