THE PERFECT STORM
In Commercial Real Estate
Wall Street Wealth Creation:
Closely Guarded Wall Street Wealth Creation Secrets In Commercial Real Estate
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Editor’s Note:

It’s rare that an Editor would make his presence known and comment on the author in the Preface. Working with Sal, getting his vision ‘just right’, I got to know and understand Sal as a person and leader. I am compelled to comment.

What you’ll find in these pages is Sal. The man is transparent as Scotch Tape. He’s a dynamic individual that is uniquely philanthropic. He believes in equality in the true American spirit. He knows, and has experienced himself, that there is opportunity and abundance waiting to be had. All it takes is the desire and ability to recognize and seize it. It’s available to one and all.

He’s an excellent author and a dynamic speaker. We had many a discussion about the details and layout of this book. The line we had to walk was making this information timely and timeless. It was decided this would be about the fundamentals, the solid foundation of the industry. Sal’s experience and passion is too grand to stay within those restrictions. The more we worked at it the more apparent the divide became.

As you read these pages, think of Sal sitting across the table from you and having one-on-one dinner conversation in the time between the appetizer and the entrée. Watching his volume and tone as he passionately approaches the point he’s making; then smoothing the white table-cloth and resetting the silverware after using it and the place-setting as an impromptu chart or layout. Waiting a moment for any questions as your ‘light bulb goes on’ in an “ah-ha!” moment.

He wants you to get it. He wants you to know. He wants you to find and gain the utmost confidence in knowledge. That is what he’s about.

Hopefully I’ve captured the man as well as his message within these pages. Enjoy!

~The Editor~

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The Perfect Storm

What does this have to do with you and your finances? Everything!

Why this E-book is called “The Perfect Storm”
is because in America today, right now,
it’s happening in all financials.

A "perfect storm" is an expression that describes an event where a rare combination of circumstances will aggravate a situation drastically. Wikipedia – “The term [Perfect Storm] is also used to describe an actual phenomenon that happens to occur in such a confluence, resulting in an event of unusual magnitude.”

There are a lot of things that are happening in the markets, and are coming together, that are unprecedented in the marketplace. There’ve been a lot of questions, and a lot of emails. Our help desk is getting inundated. And the common thread is they all relate to what’s going on in the markets: These are great concerns that we’re asked daily at Dandre Partners –

- What does this have to do with the changes that are going on with Reg. D, 506 C?
- What does that have to do with being able to advertise for investors?
- Why is the stock market up so high; if most of my friends are unemployed or they’re underemployed?

Or the puzzle of “The people I know around me are just not making a lot of money, I don’t really understand. How can it be both?” I get that. This is a briefing that I put together in response for the people who are unsure and puzzled, frankly, just like you.

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We're going to answer all of your questions right here, right now. Yes. It really is the “Perfect Storm” But we’re going to talk about why this is probably the opportunity of a lifetime right now. To take the storm analogy a little further:

Ask yourself –
Do I want to Captain my own ship, or let others rule me financially?
Do I want to be sunk, or make it into safe harbor, through the storm?
How can I get ahead, and be self-reliant, when so many are out to fleece me?

Okay, a bit of warning. This is not for the ridiculously naïve. In this piece, we’re going to be incredibly frank. Make sure that you understand that is stuff you’ve probably never heard anywhere else, yet we’re also going to be looking at it from the very cynical perspective. My saying is “Cynical best, paranoid at best.” Or better still the other way around, “Paranoid best, cynical at best.”

For the first time since the 1930's, when Joe Kennedy was the head of the SEC, people are going to be able to invest alongside you. Better still, to shorten your learning curve, you can invest alongside the people who have the keen experience and ‘being in the know’.

Begin investing alongside those who are, initially, smarter than you about these things; learning by observing.

The opportunity has never been greater for you to be able to create wealth. Everybody knows somebody with money to invest today. There’s about 16 trillion dollars out there. Especially, with some of the distress that we’re seeing in the markets right now; that’s right, you’ll be able to create wealth because of the distress.

What does that mean – “create wealth because of the distress?” Take note that it’s “create wealth”. I didn’t say “get rich quick.” We all want to make money and create wealth, not ‘get rich quick’. Because getting rich quick is either a shortcut or getting
lucky once, and that’s not repeatable, it’s not dependable. Creating wealth is the solid and smart way. It’s not exclusive either. When you ‘create’ instead of ‘get’ there’s plenty to go around and you can build success upon success. Because you recognize true legitimate opportunities, you’ll know where it came from and why - And how to do it again.

I put this presentation together as a tool for you, people who are in your situation but are searching and taking action to find the answers. A lot of time was spent and invested putting together a presentation that would really ‘pull back the curtains’ on how real estate investing works on Wall Street.

Housing isn’t really that strong, (we’ll go into that in detail a little later), but right now I want you to take note and focus your attention, because here’s how you create wealth because of this unparalleled distress: Institutions, working-with-institutions - That’s the most important part. We’re going to take a look at Distress Commercial; How to Raise Money; How to Start Your Own Financing Business - WITH NO CAPITAL OF YOUR OWN; and most importantly: How to Find Opportunities That are Legitimately Right under Your Nose.

If you’re in any part of the real estate business, these opportunities are right under your nose. Look, we at Dandrew know the industry, if you’ve been doing anything in real estate, anything, whether you’re a realtor, wholesaler, or you’ve been doing short sales; somebody has come across to you with an opportunity!

Trouble is; so far it’s felt like an opportunity, but didn’t look like one. You can’t really quantify it, and put your finger on it to understand, if it is or if it isn’t a solid opportunity. And some are hesitant to show anything to anyone, because you’re afraid of looking like a fool and ruining your credibility. We’re going to fix that!

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We are going to go over the ways for you to be able to credibly and quickly pre-qualify these deals inside of 90 seconds or less, guaranteed. You’ll feel the opportunity, see it for what it is, and either move in or move on.

But like lost keys in the morning, these deals are there right now, but you’re not noticing them. You’ve yet to notice them, recognizing them for what they are. We are going to fix that for you. Pay attention to what’s done for you here.

You are going to want to leverage and repurpose this presentation for your adjusting real estate business, as a solid pitch to perspective investment partners.

There’s some thought leadership in here that I’m going to be providing to you. We’re going to be sophisticated here. We all know of commercial assets in distress, but the problem is **not everybody can identify opportunities**. We’re going to be telling you to “think like a bank and not like a landlord.” I’ve seen a lot of people that started out, by coming out there into the market, to risk their credit cards, max everything out; borrow money from their mothers-in-law, so they could be buying commercial real estate.

They can’t evaluate and qualify; and end up getting hurt. There missing this vital skill. At the end of this, you will be able to evaluate and quantify. **You are going to learn and know more about commercial real estate than most of the pros out there.** You’ll know where to look, how to pre-qualify. Many investors who bought, and got hurt, bad; didn’t get this, they bought a lot of real estate and they lost a lot. I can tell some stories, I’m actually writing another little bit of a book about it, but that’s not to be released until much later on, perhaps next year.

**Do you still want to “get rich and quick”?**

If so, **stop reading right now**. It’s time. Again, this is not for the ridiculously naïve, okay? ‘Create’ and ‘Get’ - those are two very different things. I want to be clear on that.
We are going to be going over a lot of things as it relates to cash-flow solution. Think about it for a second: Why is it that Wall Street never really loses money in real estate? I’m going to pull back the layers of the onion here to tell you how that works, and why.

Arbitrage – First, I will tell you, Arbitrage. I have a very much unvarnished, very frank, view of the whole note market. It might infuriate some people. I’m OK with that, it’s fine. But, you’re going to learn something from it. Many, who have come to me, have been previously chasing bum leads, known as ‘broker daisy chains’. We’re not even going to bother with those. Why waste our time?

We are going to discuss where the deals are and how these trades close. We’ll also discuss your need to focus on legitimate institutional. There’s all sorts of buyers who are axed for all different types of products - Seconds, Re-Performers, REO’s, ‘Performing’ is coming back into vogue right now.

I’ll also tell you that banks are going to be the most qualified sellers. Not the private sellers who have no reason to sell their notes (unless they have a figurative ‘gun to their head’ like in the form of a Divorce Judge in Family Court).

Think about it this way - if you had a note, and you were collecting something like 12%, or 15%, or even as low as 10% interest on it. Why would you sell that note? - Especially, if you didn’t have to sell it? Where are you going to put that money today that’s as safe as something secured by real estate? I don’t mean to sound all, “Rich Dad 101” on you. (I’ve never read the book. But, I sort of understand the mentality of the audience for it.)

But where else are you going to put that money? You sell that interest giving note and have the money instead, there’s nowhere to put it wisely. - Where it will work for you again. Are you going to sell? You’re not. You’re not.
You won’t sell it. And if you do have to sell it; are you going to sell it for the ridiculous discount? No, you’re not. No one is.

It’s just not happening today. We’ve had twelve years of zero interest rates. Savings? Interest rates below 1%, meaning, 1% interest, that’s literally a penny on your Dollar. A Penny! There’s no way anybody with a sane mind would. Maybe they would if they were senile, and had a gun to their head, and they were on their deathbed. And even then that’s still no reason anyone would do anything like that.

Private sellers simply won’t sell. They just won’t. They have no reason at all to sell at a discount. If they have a judge telling them they have-to, because of some sort of litigation; they might. How often does that happen? That’s the way the real world works here.

Let’s move on to private equity. I’m telling you, for certain, that investors don’t like the stock market. They know it’s artificially inflated and it’s robbing seniors. We know this. I’m going to show you a lot of proof, based on a lot of the articles, a lot of the alternative media, that I read, that I think is probably more important than anything else you’ll ever find on the mainstream media, the broadcast news, the CNN’s, any of that type of stuff.

I will tell you though, in my opinion, and I’m just one guy here, I’m speaking for myself. If there was one thing that the last presidential election made painfully apparent was that most Americans were financially ignorant. Politics aside, if it’s one thing I think most people were very shocked to find out was that Mitt Romney had a hundred million dollar IRA. And guess what? (You probably know this now), he’s not the only one, okay?

Many others have eight figures, seven figures, tens of millions in their IRA’s. This is nothing new at all, but if Mitt Romney didn’t have to disclose this, as far as his presidential candidacy, we would never have known about it. People’s eyes would have
never been opened about it. I mean $100,000,000.00 in an IRA! Do you think he made that with a savings account?!

It just takes what we call, “Intellectual Capital”. Financial capital is only about 30% of the game. If he (Mitt Romney) didn’t have to disclose his assets, no one could conceive it, let alone believe it, and this is true. There is a whole ground swell right now with crowd funding and the relaxation of Regulation D 506 C. To be technical, certain regulations since the great depression have not made it. They haven’t been working to do what was originally intended. Or times changed and they were a hindrance instead of a help. These have been relaxed. And yet it still has not made it easier for investors to go out there and raise their own funds, to do these kinds of things. I firmly believe; based on my thinking, people who I talk to, and my industry circles, that this is the next big wave in commercial real estate and residential real estate investing. The ground swell is heading towards what we call the “self-directed IRA’s”.

Today you need a different skill set if you want to create lasting wealth. And that is what we’re going to discuss here. ‘Making money’ and ‘investing money’ are two entirely different skill sets. And just because somebody has a PhD in entomology, doesn’t mean that they’re going to be a savvy investor.

There were a bunch of very sophisticated plastic surgeons, (case and point), from the Southern California area, who bought an apartment complex in Fort Worth, Texas. They overpaid. And they overpaid greatly. If you’re familiar with commercial finance, they paid ‘one cap’. For those who aren’t, ‘one cap’ is the equivalent of the red line in your car. All you need is something bad to happen, and all of a sudden - you’re operating at a loss. It’s just going to blow up.

And how did they do it? Here is their “due diligence” - they looked at what similar apartment complexes were trading at, but in Southern California! They thought, “Wow! Texas is cheap.” That was all they did! And they overpaid.
Now, that’s not smart, in itself. But it gets rougher for them. The complex was 92 percent occupied, (to their credit, they were at least focusing on the fact it was well occupied). The broker used it against them though, and totally took advantage of them. And did it while selling it to them at an exorbitant price! These plastic surgeons as “investors” wanted to see some money after all this spending. So what they went ahead and did was; they fired the management company.

They fired their management company - And to get what kind of return on savings? 5%! To save 5% they set-up their own ruin! (This is the kind of thing that makes me say to myself, “Sal, you could write a book.” So I am, because you just can’t make this craziness up!)

Do you remember when you were in elementary school, and you had a substitute teacher for the day?

This is the same thing, but with lots of money flying away.
That’s exactly what happened. I know of this, and to be exactly what happened, because we had a new qualified operator, what we call ‘a sponsor’ come in. We lent money to him to buy it, and take it over. We got it for a song! These guys were desperate and quick to unload it. If they knew what they were doing, like our sponsor, they’d have had a solid money-maker on their hands. Who do they consider their savior? Our sponsor! And who is it? It was a Texas rehabber who we still do business with today.

The over-all function of it, the reason I related the story is cheap and easy debt, that was readily available, and the rising tide floating all boats. It’s true. You’re seeing it in the stock market today. You’re seeing it in a lot of other things.

The last credit cycle (in the 2004… 2007 period of time here), the last credit cycle made a lot of folks look smart and appear wealthy. But there’s not true wealth there. And
guess what happened, things can turn around and rip the market out underneath you
and you’re going to get killed.

They’re “realtor rich”. To me the poster boy for these people is Al Servick. He was the
character Rodney Dangerfield played in Caddy Shack –

(I know, a 1980 movie, but he’s just so much like it).

You remember, he was the guy who was the fun loving party. He was on his second wife, his trophy wife, he had a Rolls Royce with a funny horn and everything, and it just really exemplifies the type. I can almost hear the tunes coming out of the golf bag at the estate sale he’s having to pay off his debts. Anyway –

Is The Real Estate Market Bad?

So, the question remains, is the commercial real estate market bad? Is it bad? Well, I don’t think so. It’s not bad at all.
And here’s why (this is for you analytical people out there):
I will tell you, as sure as you’re reading this, right now there is a tremendous amount of opportunity as it relates to commercial distress. In the form of what we call ‘technical-defaults’ and ‘defaults’. Now, these aren’t monetary defaults, where people are just not
paying, or they are unable to pay. These are underlying debt payments or equity payments.

This graph here should be your ‘Batman call signal’, right here.

![Graph showing maturities](image)

*Source: Foresight Analytics & Commercial Mortgage Alert*

It is. It’s your call to action. Look for yourself at the graphic and you’ll see where these maturities are coming due. These maturities are the equivalent of an adjustable rate loan coming due. Or, they’re also similar to the re-triggering or re-setting on a single family home loan. You see it starting in 2011. Take notice of the very strong five year window that we’re working on.

And for a lot of the people out there reading this, you’re like, “Well, prove it to me.”

OK, you *should* be that way actually. I’m glad you’re moving in that direction. It’s fine, I’m used to it. I’m used to staging presentations to people who are investing a lot of money. And they’re going to say to me, “Well, you’re guilty until proven innocent.”
I want to make sure you understand, I’m not writing this to offend or embarrass anybody. Do the research that you need to do on this. Just like we do in residential, (we are sort of behind the curve in residential, right now), but we are on the fore-front of the curve when it comes to the tidal wave of commercial foreclosures.

You’re not going to hear about it in the news, because the media doesn’t really care. All they really care about are “widow and orphans” stories, and foreclosures, and then taking some sort of activism role on it. They’re not interested in the fat cats who have commercial real estate empires. Mitt Romney only became news when he had to disclose his financials while running for President. Even then, it was more about “Who won the debate, last night?” Not about “How to get your own $100M IRA!”

Here’s the difference between what most people were doing, and what really works. Amateur and Individual investors got into real estate heavy in the early and mid of this century’s opening decade (2000 – 2007). Here they are, borrowing away, and adding some cash-flow and all that wonderful stuff. Well, wonderful at that time. Saying, “Hey, this is great! I wonder why more people don’t do this?!”. Everything was fine right up until about 2008.
Then, like an answer to their question, 
the banks that had lent them, 
(at this point, several million) said; 
“Hey we want all our money back now.”

The cry went out, 
“But you said that you were going to renew this every term!”

The Banks in effect just shrugged and said, 
“Yeah, we did. But now we want all our money back. And we want it right now.”

Now they’re left scratching their heads, 
“What am I going to do? 
All of my income is depended on this debt.”

And so, the pain began.

Now on to the present-day heart of the matter: Banks aren’t lending because there simply is not enough capital. (I also happen to know this because of the intellectual capital, which isn’t just what I know, but the industry people around me that I know.) Our General Council, Fred, is on the board of a publicly traded bank. And the FDIC has basically said, “No loans will be made until further notice.”

It sounds like bad news, and it is; for the Banks. And then, only in a way is it bad for them. When Banks aren’t lending, guess what? They’re not making money! Don’t just take my word for it, start watching. You’ll see for yourself, you’re going to see, more banks getting shattered. This is due to the fact that they don’t have a lot of non-performing assets. They have a lot of money; because they took it back. Every cent that was possible. Now they’re sitting on piles of cash - which they’re not allowed to deploy! It’s the banking equivalent of taking extra Viagra on that special night; just before the intended gets a migraine!
All joking aside, I’m passionate about this. I’m passionate, about this, because based on this simple idea; I’ve raised tens of millions of dollars around this, and another simple concept. It helps that I’m not alone, nor is our company. The institutional money agrees. And they do their voting with their wallets. They’ve ‘wallet-voted’ on it. So, that’s just it.

We’re going to keep it really straight here. Most of you have heard the talk, and it’s only that ‘talk’. They’ll make up any number that suits them, and slap a fake narrative on it. Personally, I can’t believe people do this; yet they do. I’ve seen them time-and-time-again.

Now here comes the other, and equally important, bit. (By the way, this was taken out of one of our pitch books that we used to raise one of our latest funds.)

How do you make money in real estate? There’s 2 ways:

The parallel is this:

In Commercial Real Estate - *there’s a fire in the movie theatre and there’s only two exit doors.*

1. One’s been bolted shut - **Refinance.**

That’s what a lot of people were hoping to do, in the beginning, “Refinance”. Just like what the loan broker told you was a good idea way back in 2007 and prior. This got everyone into the negative end product at 1.5%.

“Oh, you can always refinance later,” was the song they were singing back then. Well guess what?! The Fat Lady sang on that. Everyone is stuck right now.

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They have to begin using private capital, like Dandrew. There’s no other choice. (Are you starting to see all the opportunity that’s out there for us?)

On to Door Number 2, it’s the only way out. And, it takes quite a bit of doing.

We’re going to distill that for you, and do it very simply.

The parallel is this:
In commercial real estate there’s a fire in the movie theatre and there’s only two exit doors. One’s been bolted shut.

Door 2 is ‘Sale’. There are a lot of fire sales going on! (Pun intended). There’s also a lot of foreign capital coming in; buying some good assets in good markets. You have got to get to the understanding that we are all opportunistic.

We’re all opportunistic. We are discretionary. We’re on the look-out for other people’s pain. Other people’s pain is your gain in commercial real estate.

Don’t judge, it’s just how it is, how it works. This is how wealth transfers. Other people’s pain is your gain in commercial real estate.

It’s ‘value’ and ‘leverage’. It doesn’t disappear. It doesn’t go into outer space. This is how wealth transfers. Other people’s pain is your gain in commercial real estate. Not only is this how wealth transfers, this is how wealth transfers instantly.

So - Why does everybody (who’s in-the-know) like commercial real estate? I’ll tell you. I am telling you. There’s no drama to deal with. A lot of people have been the Entry-Level, New-Comers, Not-Seasoned Un-professionals.
The ‘gateway drug’ to real estate investing has traditionally been the ‘residential’.

Trouble with that is that Residential is a lot of heavy lifting, a lot of hand holding, it’s a lot of brain damage. You’re dealing with marriages breaking apart; personal crisis is almost always the behind moves in Residential Real Estate. Sometimes you have to be someone’s shrink in order to get in. To the point: you have to kiss their rear enough to get them to sign you power of attorney, or whatever it is they were doing, in order to do these short sales.

On top of that, you’re only going to make on average 10 grand in six months. Is it really worth your time? You’d be better off moonlighting at Burger King, working for minimum wage, than what you’re able to accomplish by working Residential Real Estate. It’s even worthless as a confidence builder, or stepping stone. You’re dealing with a lot of problems that basically, you don’t have to deal with; you shouldn’t have to deal with. The grown up men and women hang out in Commercial because it’s more professional. It’s just business. “You want it? - We got it.” Commercial: It works here.

So, Commercial Real Estate is a huge wealth creator. The Movers and the Shakers also like real estate because it’s full of equal opportunities available to the masses. It’s all about ‘whom’ you are, not ‘what’ you are. They come in all kinds, we’ve seen them all: short, fat, bald, skinny, ugly, pretty, black, white, it doesn’t matter. The point of the matter is that it’s an equal opportunity wealth creator and you can participate several different ways (which we’re coming up to in detail).

But that’s really the most important part here - true equal opportunity.

The only difference between the person who’s successful and the person who is not successful is the fact of what they have in between their ears. And I’m not talking about an IQ score, I’m talking about the intellectual capital, do they know what they’re doing?
I have a good friend of mine, since childhood. He became a paramedic, an EMT on the fire department. We were talking one day about the best and worst hospitals around. He told me something that really stuck with me. And it’s great advice that carries over into all aspects of your life.

I said “I’d never go to XXXX County Hospital or be taken there because they have to take everybody. You’re just a number and they’re cranking you through. I’d go to XXXX Memorial Hospital because they’re a teaching hospital and give care that’s above and beyond because of it.”

He nodded, and seriousness came over his face. He paused a moment, looked me in the eye and said, “If I get any kind of trauma, severe cut or gash, gunshot, hit by a car, hell, falling off a ladder…I’m going County.”


“The ER at County deals with these injuries all the time, as a matter of course. XXXX Memorial gets something like that once, twice a month. I’m willing to say 6 months of that kind of emergency there, adds up to a slow Tuesday at County.”

“So?”

“So - Do you want someone that looks at you and says, ‘Oh, OK, another one of these, let’s get you fixed up. Bing-bang-boom, you’re good.’ - Life-saving surgery!? Or do you want to be the center of attention with students called in and discussions made, and people poking and prodding at you? The clock is ticking and everyone tentative because they’re new, or book smart only, or worse, trying to prove how smart they are”?

“Go with the experience. So you miss out on a round room to have all by yourself, and gourmet bread, steamed veggies, and a cookie instead of Jell-O. I want someone that’s calm, cool, and collected. Someone that not only knows what they’re doing, they’ve
done it before. And will do it again, because it’s their thing. They know they’re good because they’ve proved themselves to themselves. That’s the kind of hands I want my life in.”

Would you rather go to the guy that has a lot more experience? Or the guy who is newly minted out of medical school, who is going to give you a free toaster, if you decide to have him doing your surgery?

Experience. And there you go. It’s the same way with this. You have to be experienced here. Or align yourself with experience. The point of the matter is: that once you start doing this, this business gets sort of like a disease, in your blood, and you can’t get rid of it. It’s called “deal junky”.

That’s where a lot of people got killed in this business. They didn’t seek out experience. They were dazzled by the lure of the free cookie and not the experience of the baker. They listened to folks who told them to jump in and take action. And doing so risking their own money or credit.

Never take the advice of someone who doesn’t have to live with the consequence. That’s one of my rules. There are a couple of gurus out there who promised to buy anything you printed off Loopnet. Promising she’d partner with you. “Just send an invoice and a print out from loopnet” and she’s “partner” with you. Don’t do that.
Look, the take-away is: Stay away from the people who are selling the BS and dreams. It’s a business. It’s a great business! But you have to learn the ropes. And you have to put your time in. If it was easy, everybody would be doing it. Okay? (You know where we’re going here with this.)

What we’re talking about here is, “Where are the deals?”

Are there a lot of deals out there? I think so.

I wholeheartedly believe because of what I see, and because,
(I’ve trained our intermediaries to do this as well)
that the deal of the century occurs once a week.

Once a week, out there, The Deal of the Century occurs. How?

The Deal Of The Century Every Week

Here’s an example. This was on the ‘Bloomberg’ deal, a couple of years ago. In my business, when I’m facing off with an investor, I need to be armed with facts to back up my ideas. Sort of like a trial attorney.

But worse than an attorney, as I said before, I’m working under “you’re guilty, until proven innocent.” When I was learning how to speak to folks about this, I watched a lot of gurus say stuff and not back it up. Saying, “You’re going to make millions”

We are not those. We’re not in the same category as most of these people. I was dumbfounded. I said how can they make these claims unsubstantiated? If I was to come out, and not be able to prove it; and say that somebody was able to buy a 285 million
dollar hotel in New York City, for only 2 million dollars, would you believe it? You’d be beyond cynical. It’d sound like just plain crazy-talk.

The reason I think that there is a ‘Deal of The Century’ every week, is because there is. And other people’s pain is your gain. We’ve seen it. We’re seeing it. We’ll see it again.

A deal that’s 285 million dollar hotel, for only 2 million dollars? Believe it! The W Hotel – you’ve heard of it. It’s that highfalutin, high-end, boutique hotel. They’re only in the major cities, what’s called ‘Tier 1’ cities.

Dubai had one. The W Hotel Dubai - The problem is they defaulted on their debt. This happened. Now we’re actually bidding on this thing with another firm. What we’re doing is called a ‘Club Deal’ and for $2 million dollars. A $285 million dollar asset for $2 million dollars! You read it right.

I was licking my chops. My ego took over. I was thinking “I will never, ever have to wait for a table on a Friday night for dinner with my wife at a ‘W’, ever again! Because I’d just go in there and play this card, “Do you have any idea who the hell I am?! I own this place! Give me a table next to the chef! blah, blah, blah… “

We let it go. We had to pass. There was a document deficiency. There were problems and risks that we weren’t comfortable with. But man! Let me tell you something - a $285

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A million dollar asset went for only $2 million dollars. Yes, this did sell; it was sold to someone for two million dollars. The trade did clear, as we say, “The trade cleared”.

How many of these do we need? Probably just one would be alright, but not enough. It’s like eating a potato chip; you can never have just one.

I bring it up because it illustrates that these opportunities happen all the time. They’re definitely out there. You just have to know what to look for.

Moral of the story though, if you’re looking on Facebook or Craigslist or Loopnet, you are not going to be successful in this business. It’s not where we operate. You’re going to need to be linked in to the right people. And be able to use the right pick-up lines on them. It’s just that simple.

One more thing on this - and I know it’s going to be hard for you, as it is for a lot of folks to get their head around immediately. - It’s going to be far easier for you to attract capital than it is for you to find deals. And that’s most times. You find the deal? The money will hunt you down. Like an ex-spouse’s attorney! I promise you. And even your ex-spouse’s attorney will hunt you down if you make money. Not to get some, but to get in on your action. People love Winners, and money goes to money.

Back to the point of the matter, which is, - In this business you need to know what you’re looking for, how to qualify it, and how to communicate it like an adult to the right people.
So, what is real estate while being a banker, acting as a matchmaker, and go-between? It means you can participate in deals several different ways: All with less risk. This slide here is all you need to know about the capital business. It’s how to think like a bank; and how to make multiple streams of income in each deal.

It’s a baseball info-graphic. I lifted it from one of our very popular info-graphics that we give to our intermediaries. They use them as a reference on how to handle and manage their real estate finance business.

This will explain to you
What it is you need to engineer this deal:

(1) Am I going to provide financing?

(2) Maybe this is something I like; it’s an apartment complex or a triple net in the middle of America.

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(3) You’re a capital aggregator, you’re formulating capital, putting it together, you’re pulling it together to buy these assets so you could portfolio it and put it into your own little portfolio, yourself. Quietly build an empire that way.

Or you’re going to cross the trade; we call that being an arbitrager, okay? – Arbitragers.

That is crossing trades. For those of you reading this that are from the home buying business; - It’s ‘wholesaling’. Basically, matching institutional buyers with sellers, and it requires access to these institutional buyers. So, this is more relevant for the bulk and REO, nonperforming and performing business. Okay?

I tell this to all the intermediaries, “You can only control the ‘amount’ of deals that come in thru successfully marketing. You cannot control the ‘types’ of deals that come in.” Whether you’re doing short sales or something else, I think a lot of people have been trained to look at the world with only one pair of colored glasses on.

And what I’ve noticed is that they miss out on a tremendous amount of opportunity as a result. And I’d rather you be a generalist than a specialist. I’d much prefer for you to know enough to be dangerous about everything. Rather than just being focused about one thing. Why?

Because again, look what happened to all those short sale investors. They’re all out of business, probably working at Walmart.

That brings up another aspect of this Perfect Storm. So, let’s look at it. And this is going to be where most of the world is going to today. And it’s unfortunately not a very good
place. Especially because it’s happening faster and faster; getting bigger and bigger; sort of like a snowball rolling down the hill.

Let’s talk about why we’re having such a problem with employment in America today. This is an iPhone photo I took at a Walmart. I went in to the Walmart to pick up something for our puppies. And this is an actual photo I took, the resolution is off light (My apologies to all you professional photographers out there.)

The reason why America is facing such high unemployment today is because of the lack of a desirable skill set.

A lack of skill-sets that are, quite frankly, hire-able.

A lot of skilled recent college students, those who were impractical, and who studied philosophy and basket weaving were also seen by most employers as being radioactive, too. Almost all are sitting on a lot of debt, and they don’t really have access to the same employment opportunities that we had 30, 20, even just 10 years ago. Things are happening much faster in the economy than they used to happen. People keep forgetting that we’re now in a globally interconnected economy, so whatever happens overseas is going to affect us here, and in record time.

Regarding the ‘Boomers’, a lot of finance sites, (I always read zerohedge.com, and Bloomberg.com), there’s a bunch of others that I have on a website, that you’ll be given access. But these are the, what I call ‘the alternative media’, and this is where you see a lot of the unvarnished viewpoints. These are definitely not, “The dawn of an era” that are

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not, “Rah! Rah! Rah!” They’re just only talking about what’s really happening, here in America.

And what is going on? Some of these people have been out of work for years. They’re too young to retire, too much tenure to rehire, they don’t have enough savings. The point of the matter is that we are in a finance-based society today. That’s what America does best. (Well, besides personal injury attorneys and hamburger flippers.) Seriously, a lot of people have had a lot of success being in our financed based economy. How many people do you know who are a realtor or a mortgage broker? That sort of answers the whole strategy itself.

Wages haven’t increased. Yet gas and food have all increased. I’ll tell you straight out, it’s not as much because of politics as you think it is. Honestly, the only jobs in the USA that pay anything are the financial based jobs.

I think the greatest feeling in the world, and as has been told to me by people who’ve aligned and partnered with us, is being in charge and control of your own income. And being able to generate income “on huge”- absolutely huge.

What once had been held as sacred, like pension funds, are now…In short: people are being robbed. In Cyprus we saw a Wealth Tax not too long ago. The peoples of Poland and Ireland have been raising and raiding their pension funds to pay their debt, for a while now. The citizens don’t notice. They’re “too busy” to notice. They’re ‘too busy’ all right. “Too busy” with social media and Kim Kardashian to care about it, much less notice it.

In the US we have a $14 Trillion dollar debt (a ‘14’ with 12 zeroes behind it, we’re in the hole) and we have $16 Trillion of 401k or other so called “define contribution retirement plans”.

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Now, these people - A lot of the newscasters, or whoever, the talking heads on TV are, they can refute all the headlines they want, but they can’t refute the reality and the numbers I’m quoting here. All these talks about “hitting the debt ceiling” - I think It’s all BS.

It is BS, and I’ll tell you why: We’re issuing a Trillion Dollars of debt per year, while we try to cut a hundred billion from the budget. It’s crazy! And don’t think for a second that the government isn’t scheming of a way to get their hands on that 16 Trillion in 401K. I’m being honest with you. There’s just simply too much there to ignore right now.

In my opinion, and this is just my opinion, the opinion of one guy. Okay?
I think that if you are a financial geek, like I am, and you track financial history:

You’re going to see that they’re going to try to crash the market.
They are going to Crash it, with a capital ‘C’.

They’re going to pull away a lot of the artificial inflation that Ben Bernanke has been putting in. Now comes his successor, Janet Yellen, what’s the objective? Create panic. Tell folks to come run into their arms because they’re going to pay 2-3% on treasuries, as it relates to the implied safety and confidence of Uncle Sam of course, and presto! The national debt is wiped-out! Making our lawmakers look like heroes at this point.

The aftermath of which, we can get a glimpse of right now in Poland. Poland is confiscating private pension funds; this is as absolutely ridiculous as it is scary. Without the knowledge of money, people get pushed around and bilked. Learn from Smart Money, or you’re going to get pushed around. If you haven’t been, please, just start. Learn about money. It’s no longer elective anymore.

You can’t stick your head in the sand, when it comes to finance and money. You have to have some sort of mastery of how finance works. That is just it. Or else you’ll suffer the consequences - that’s just it.
Even though I have a Wall Street background, or maybe because of my background – I’ve always been very cynical of the 401k. I think it’s probably the most... this tweet says it best:

“401k is the only product Americans continually buy that they don’t know the price, quality, or the danger of owning.”

That’s the opposite of proper investing. There should be “Alignment of Interest”. I can tell you that, investors, even retail investors, investors, etc. that I have worked with, even though that I am mostly using institutional capital, they like the fact that there’s an “alignment of interest”.

Alignment of interest – Meaning: I’m not making money, if they’re not making enough money. If they get hurt, I get hurt, too. - Sometimes maybe even worse than them. That’s just the ‘more or less’ of it.

Somebody put together an Excel model back when I was working at Wall Street, long time ago. Now there are websites that will do it. What we were looking to find out was; if you were to contribute the max amount of contributions in your 401k, from your paycheck, every year for 35 years, how much can you expect to pay in fees?

And that number came out to be $650,000 dollars! Fees totaling $650,000; money you worked hard for, had in your possession, and now? You’ll never see again. You’re not going to see that! There craftily hidden, there are fees, fees, and more fees on top of that. You’re paying fees whether the market goes up, goes down, regardless of the fact if you’re getting any performance. Even when you’re losing money, then you are still paying these fees. Why? - Because there’s no ‘alignment of interest’ there. That’s it.
If you don’t have any retirement savings, now is the time for you to learn how to raise capital, to invest alongside deals or other people’s deals. There’s a lot of qualified money and a lot of qualified investors out there.

The mom and pop investors are retail investors. They were the folks who were first into a deal. When a company is going public, (we’re talking about twitter here). It’s unfortunate what’s going to happen. This is what I call “white collar fleecing”. This is where the desperate retirees go. And end up getting fleeced – hard. We saw it with Facebook and countless other recent IPO’s. If you’ve ever seen that movie, Boiler Room with Ben Affleck, you know what I’m talking about here. And again, just common sense, why would you ever want to buy a company when it is being valued at its highest? I don’t understand.

People have this mentality that there’s always going to be this ‘get rich quick’ at an IPO.

I gave a speech one time about investing in IPO’s and I sort of made a point when you invest in an IPO it’s sort of like a bride on your wedding day. She’s never going to look any better, any more beautiful, than she does on that certain day. It’s not that she’s deceiving you; it’s just that it’s an impossible standard to live up to, let alone surpass.

Now with IPO’s that’s the same thing. All of a sudden, - the management changes; and then the insiders start selling the stock. 92 percent of the time, the company will never look as good again as it does when it goes public.
So then you buy a company that’s being sold for its highest price – Why anyone would do that is beyond me.

So, you have got to be careful about what’s going on out there. This is one of the reasons why investors are saying, “You know what? I’ve had it with the stock market. I’ve lost a lot in 1999 and I’ve also lost a lot again in 2008.”

I know, dear reader, you want to take your head out of the oven here. I get that. We are going to come to the happy part of this. But do know, as we do, this is the day Leeman Brothers died.- And took the Stock Market and the Housing market right down with it. This is why, all of a sudden, the housing market - bam! - crashed.

People don’t like stocks, and really shouldn’t. I’ll tell you with certainty, the guy or girl with fifty thousand dollars or even two million in their 401k, living in San Francisco or Portland, Oregon or Seattle, don’t want to wake up and watch this again on CNBC. Or in the middle of their work day, have a breaking report on their news stations, okay.

They’ve already been through the “dot com bubble” of 2001. (Notice how they always have a catchy tagline or title about an event they’re blaming to give you the ol’ stick-it-to-ya?) Anyway, these people, they’ve been beaten through the years.

So - What’s the next big thing? Real Estate. What’s the next big thing in Real Estate?

Here it comes. This is it. Earlier, we covered the pending commercial foreclosure, and just went over another part of the Perfect Storm, the frustration and angst that Retirees and Savers are feeling.

Today, in this economy, the Savers are losers. And why has it turned? Inflation is ripping faster than you’re led to believe. You think it’s not that bad, but deep down you know you’re feeling it. That is unless you figured out a way to stop needing to eat. Or unless you don’t use gas somehow, you’re feeling it. Okay. The CPI index never really
moves that fast. The reason why it’s not being told to you in the nightly news? And never will be is; because the government indexes, those inflation numbers, are linked to the cost of living for Social Security.

The government doesn’t want to have to pay any more than it has to pay. Do you? Would you? -Especially, if you had $14 Trillion in debt? – Of course not. So you have the fox in charge of the hen house, so to speak.

Number 2 – hurting Savers: Higher taxes are all over. This is the biggest theft from Savers today. Cyprus is already seeing the wealth tax. Where I live in New York City, we have a baby tax, fat tax, we have marriage tax. There’s even a luxury tax on our landline phones because it’s touchtone! All sorts of nonsense! (Does anyone even own a dial phone anymore? How do they get the recording to speak English if they can’t press ‘1’?) Anyway -

If you’re wondering why real estate has skyrocketed in major cities, such a New York, Miami and LA, it’s not because wages are going up. It’s not because personal income is going up. It’s because foreigners are arriving with briefcases full of cash. The Russians, the Chinese, and now the Brazilians, especially in Miami, are buying new condos. And they are purposely over bidding, just to park their cash.

They’re not putting it on the Stock Market. They’re not putting it in their homeland savings and banks overseas. They’re afraid it’s going to be confiscated, a la Poland or Cyprus.

The savvy investors’ know too that the Fed is pumping in the stock market as well. I think it’s important to talk about that. And unlike any of those vehicles, real estate is fully insured! The point being, that you can’t insure your investment in the stock market against unforeseen loss, but you can insure against it in Real Estate.
Frankly though, a common investor can’t. They can’t insure their investment against unforeseen loss. However, if you’re a sophisticated investor? You can use all sorts of options to do just that. It’s very attractive to those overseas, because the point I’m making here is: owning a new condo at 15 Central Park West in New York City, likely won’t get a massive wealth tax like the Cypriots faced. The writing is on the wall, that is going to be a growing, unfortunately a tax on having wealth, it’s going to be the ‘norm’ rather than the’ exception’ in a lot of these economies.

Worst yet, number 3, why Savers are losers, while I’m on this right now, there are no cash-flowing opportunities. Rates have been artificially set at 0 to 1% since Sept. 11, 2001. We just had the 12th anniversary of 9/11 here. The other tragedy that a lot of people aren’t even talking about is, - with all due respect to the assault on America - It’s like there was an assault on savers and pensioners and it succeeded, and is still ongoing. Let’s say you have $1M in savings. On your $1M, you’re lucky and getting the full 1% at Chase, you’re still only making less than three times below the average poverty income level (-3Xs). You’re eking out $10,000 a year. That’s terrible, it should never have happened.

Some smarty-pants are saying, said by ‘Treasures’, let’s call them, are saying, “Sure, ok, the bank account that you have today, though, is insured up to 250k.” Oh OK, so now were around 2 %? Big deal!

Nothing is really changing. Maybe it creeps up to 3%. That’d be fine, a step in the right direction. But – and this is a big ‘but’ - but, if it goes over 3%, that’s the magic number, where we think it’ll all really fall apart. That’s just in my perception of the world.

You’ve seen previously, what the government is already proposing, the “help-you-shelter-your-assets-in-the-stock-market” idea. I don’t know about you, but this does not sound very much like a money-making opportunity to me.
Look at it this way - I spend about $25,000 a year to subscribe to special newsletters. And this is just the tip of the iceberg of some of the stuff that we’ve found because of it. Some people might think that this is an extravagant expense. Not when you consider however, that in this economy it’s all about ‘knowing’ and being in-the-know. Making your own deductions and conclusions, not going by what you’re told. Intellectual Capital: that something else, that someone else had not figured out, yet. That, and plus I’m a financial geek. I just want to make sure that I’m on top of everything, and I’m on to the best knowledge and data as possible.

Alright, so the SEC has relaxed a lot of stuff (we talked about this before). I think this is scary too. Because of the Jobs Act, regulations have been relaxed for private partnerships, namely hedge funds. It was done to raise capital for modern time investors, (we call them ‘Retail Investors’). That’s actually the technical term, ‘Retail Investors’.

So now the pig farmer in Kansas is his own Investment Broker. He’ll be able to invest in a hedge fund in New York. But he’ll not know anything about where their money is going. Or how it will be used, and I think this is going to cause wide spread problems. I think it’s going to cause a lot of financial fraud out there.

But, if you know what you’re doing, or align yourself with people who know what they’re doing. People who have an alignment of interest with you, you’ll be able to build a pretty formidable business. By aggregating assets and placing them into your deals, or other people’s deals, and making huge money off of it. That’s why you’re reading this.

I’m going to get into something right now and I’m going to be a little ‘wordy’ about it. Please bear with me. I’m passionate about this. I am most definitely being frank with you. I learned how to put together a presentation like you’re holding, a presentation for people who are interested in real estate, by watching others. Or I thought I would learn, instead, I was aghast and appalled by what I saw.
I will say that I don’t have a country music song story. I didn’t go to bed broke one night, down to my last dime, took a pill, woke up the next morning, and woke up rich, and to go with that now have a beautiful wife. (Although, I do now have a wife, and she is beautiful. I love my wife. It’s just that I didn’t get where I am by wishing or over-night success). And I know that’s a story that a lot of folks can and want to relate to. I know shoveling that type of story sells a crap load of books and tapes.

But that’s not my story. No its not. I learned this business by breaking my back (amongst other things) to get the best grades; go to the best schools, so that I can get into the best social circles in Wall Street. I’m not a social climber - I have genuine friends and friendships with people who also happen to be hard-driving, wealth growing professionals. It’s our commonality.

Truth be told, originally I thought I wanted to be a doctor. In college, I was pre-med, I also wrote in college, and an athlete too, it was a triple major. I hated it, but I got over it, just kept plugging away. Finally, before my senior year, my father’s friends, all doctors, staged an intervention, much like you would see on Dr. Phil.

They suggested that medicine wasn’t the best career path for me. And it was true. And going to college in New York City, I had the advantage of networking. That was a huge benefit. My network grew into a big Wall Street firm. I learned the business from the best and brightest minds on Wall Street. And just like anybody else might do in their late 20’s I got a little edgy. I raised the fund.

It did okay. We got out just in time, when things got bad in 2010. We were all about high-velocity, in and out trades. We got our money from another hedge fund. I was able to leverage my intellectual capital here.

Leveraging Intellectual Capital creates all sorts of opportunities. Right now we have a fund based in Las Vegas that buys non-performing, distress-bankrupted hard money
funds in receivership. If you know anything about the industry in Las Vegas, the South West in general, it’s ground zero for these types of funds. You’ve got to know what you’re doing though. There are Carnival Barkers. They’re great at raising money, but they’re really shitty operators. They would lend money to someone toothless and homeless just to make their 5 points.

Our fund, a $15 million dollar fund called OFREE Fund www.ofreefund.com uses aggressive corporate strategies, bankruptcy, litigation, all sorts of stuff, to get at these assets that are literally, pennies on the dollar. Its edgy and just the way I like it.

The reason why guys like our intermediaries really like working with us, with the Dandrew Alumni, is because they like learning this part of the business. And gaining the experience and access. They like being able to talk with my industry friends. It’s like a club. It’s a club that I want you to be a part of. Perhaps you feel you’ve made some bad decisions, and had a life after high school locked into an unrewarding career. Now is your chance. Now is the opportunity to reinvent yourself, and I want to make sure that you understand that.

We are an information based economy today and the more you know the more you are going to prosper. So rest assured, I paid my dues and I’m here to share those experiences with you.

Here’s a shot from our office, but essentially it says what we do. We’re a capital provider. Simply put, we provide debt and equity to folks who have found something interesting to buy, but don’t have all the capital that they need. And only in Commercial of course, not in residential $30,000 deals, where most competitors are. We are only between one to thirty million dollars invested per deal.
Anything over than that, you’re dealing with the bigger guys, the ones who throw their weight around because they have a cheaper cost-to-capital like the Goldman, the JP Morgan’s of the world. We’re not competitive at those high ranges. We’ve done some club deals; throwing money into a hat with other institutions to be part of a deal. It’s just that we prefer to prosper on small balanced deals. Which makes our intermediaries jobs much easier, and profitable.

And this is what I do all day. At its very basic, I just put deals together, that’s it. This is it. I don’t know why, but I’m told “Oh, people want to know about you, as a person.” So following are some personal and candid pics.

One thing you won’t see here is a lime green Lamborghini. I never had a car until I was 35. I used the MetroCard a lot. The first car I got, I was 35 years old.

This is my wife, Tiffany and I we got married in Hawaii at the Four Seasons.

That’s our puppy Bentley we have another one named Bella.
Here’s an investor conference, where our rain makers come. The people who made us money, we throw a little shindig, in Vegas, they come over and they drink, and eat, and drink, sometimes too much. - Living the Good Life.

I like to go fishing off of Montak or the Hamptons, or anything like that. Montak is for tuna. We do a lot of tuna fishing. In fact, if you’ve ever watched that show, called Big Tuna, (on National Geographic), a lot of the areas where they fish on the show, are where I’ve fished before.
The fishing is good. But I like hanging out with rich people. Because this boat here, the captain, he’s one of my early investors, one of my good friends, has a 64 foot Scully, that’s a $3 million dollar sports fisherman boat. And I can tell you I love going fishing with him. He always brings his rich friends out with us. When you’re 80 miles offshore that boat is not big enough to escape me, I network like nobody’s business. Beyond the shadow of doubt, that when he has rich friends on those boats, and we’re going for ‘over-nighters’, as big as that boat is, it’s not big enough to get away from me.

Anyway, a few major press citations to show that we’re actually active in the market – when we go out there, and tell people what we do, we show these. It’s a great way to attract deals now and stuff like that.
How did we get so far so fast?

I leverage intellectual capital.

What is the intellectual capital here? I’ll put it to you this way. And I said before, it’s all about having experience. And it’s all about ‘what’ you know, that brings you to ‘who’ you know.

One of the people I know, came up with a great idea, because of something he found out, which was some parts of the US have triple net leads retail centers that trade for a higher cap rate. And so we put a little bit of a race around that and he’s in the middle of that right now. He’s getting paper, he’s attending the conferences.

You get the point - it’s ‘what’ you know, that attracts ‘who’ you know. And we’ve had a lot of fun here with that. There’s always something there. Or if it’s too big for us, I’m always going to find a way to place it. And that’s one of the benefits that the Intermediaries get.

The problem with investors today is that there is a ‘real estate flake’ factor. The flakes out there are the people who are trying to push a deal through. They say they’re the owners, but they’re not, okay? Some guy living in a basement, with an AOL address, is not going to be a $30 Million Dollar pool. It just doesn’t happen. There’s a low barrier to entry in this business and it brings a lot of headaches.

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Leveraged My “Intellectual Capital”

Financial Capital Is Only About 30% Of The Game

It’s What You Know, Then Who You Know.

Intellectual Capital is The Most Important Tool in Your Wealth Building Arsenal Regardless Of What Business You’re In:

Real Estate, Internet Marketing, Being A Surgeon, Lawyer, etc.

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You need to be able to qualify. You also need to remove yourself, and move to a higher part of society in this business, when you’re dealing with just the institutions - Because that is where you are going to find the gold. Okay?

This is what you want. This is the term sheet, an average term sheet.

![Term Sheet Image]

An average deal size for us $5 million dollars. This is something we put together for a friend of mine; as part of a joint venture for a deal. This is what you want. You don’t buy the BMW yet, you hold off on that until the money, your fees, are wired to your bank account for that. We don’t send checks here. There are no big fat checks here. We handle this by wires. Okay?

This is business, it’s not a game to us, were very serious about it. We have the capital to make it happen and this is our passion. We’ve been through good markets, were in a middle of a really bad market right now. It’s going to get even worse. And that’s where we really prosper.
I want you to understand, where you’re going to benefit. You’ve got to ask yourself. Where are you going to be when the dust settles? There’s 5 years left, I think, before things get really bad. And that depends on some politics too. I don’t think it’s really going to get any better, but I think 5 years is very conservative. If it’s longer than that, then I’d be surprised, but I think it’ll be shaken out in 5 years. And you’ve got to understand, where will you be when the dust settles? And most importantly, when I wake up every morning, thinking to myself asking, “Am I doing everything to take advantage of these opportunities? How are you in the game today?”

Take a moment, listen deep down, and ask:
Are you you’re raising money?
Are you trying to learn new strategies from different types of deal types?

Maybe you were a mortgage broker, now there is not enough to mortgage among you.

What is it? What are you doing right now to participate? And that’s really what you got to think about.

Are you on the courts or are you a spectator?

The US open - I love going, but I’d much rather be a participant, playing for myself, than watching other people play.

So remember, your small window of opportunity is here. There it is.

Talking to some of our intermediaries, sometimes it becomes a confessional.
I’ll ask, “How did you get into this business?” “What happened?” “What’s going on here?”

Well, all the stories put together go something like this: They went to a seminar sometime around 2005. At the time, Real Estate is on fire! Some of them didn’t even go to seminars, they did the reckless thing, they just pledged their own credit and capital and they bought condos. But why buy only two condos, sight-unseen?

I remember going into a hotel conference room once; just to see people herded like cattle. And what they were doing, which was that they were actually buying new construction condos, sight-unseen! And if you didn’t buy before the next thirty minutes, there would be a 15 percent price increase. So presto! Now all of a sudden, you’re 15% percent richer. - In 30 minutes or less, like a pizza delivery! (But not really) It’s also driving that mentality, that greed mentality, the greed gene that every human has on earth, driving them to buy.

So you buy one, you bring your daughter and she buys two as well and then you’re doing a lot of wholesaling. There’s a lot willing buyers but the deal is difficult to come by because the banks are lending on anything, on anyone, taking all comers. You’ve become a landlord. ‘Subject-to’ investing is popular, you lease auction your homes. Now homes are upside down, you become a short sale mogul okay? You’re sub-prime lending and you can’t get out of these deals. You’re stuck and people are threatening to sue because, let’s face it, legal advice is free for the poor and stupid; and then... Well, where’s that going to get you?

People were doing this kind of investing as “The Next Big Thing”, and that’s fine. We’re training people who have been very successful at this type. I’ll be showing examples of which further on. There’s more to this scenario:

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So you’re moving-in on this type of thing and now, all of the sudden, you’re broke and the BMW is going away. The old way of investing is dead. Let me repeat that, “The old way of residential real estate investing is dead.” In fact, it’s gone completely the other way, and now I think it’s the most hostile business you could be in today.

Here’s something that came off one of my Facebook pages. I couldn’t believe this when I read it. But it’s absolutely true, and unfortunately, this is what’s happening today. There’s never been more protection for the poor and stupid, more than ever before.

And remember when you’re dealing with residential; you’re dealing with the flakes in the lowest barrier to entry. And this is why the smart people, the people who are making it happen. And keeping it happen, gravitate towards commercial real estate. It’s the ‘Grown-ups’ Stomping Ground, Commercial is where the grown-up men and women hang out. We Grown-ups don’t want to deal with the little girls and boys; and especially the “wanna-be’s”.

Here’s something that I was thinking of, that comes to mind when reading things like this: Tenants can, and always will, remain insolvent. And do it longer than you can remain solid. It’s as true as it is a fact. They can really leave you in the lurch, they’ll declare bankruptcy, but you, you’ll still have to make the mortgage payments - Unless you default. You don’t want to do that, not on their terms. Not do it when they say. Doing it because you ‘have-to’, not because you ‘want-to’. People who are perpetual tenants are people who are basically slobs who don’t care about anyone else’s property. And they never will.

This is why nobody ever got rich off of residential real estate. They just didn’t, and just won’t. They may have felt they’d gotten rich off of multi-family dwellings. But they never really got very wealthy by owning a bunch of houses.
I know, you hear stories of “owning a hundred houses”. You get regaled with tales of massive house ownership. Me too, I’ve tried. I’ve been there. I’ve owned 400 houses at any given time, and I can tell you, we want to sell them as quickly as possible!

Having 400 different roofs, that could be leaking or will shortly,
and to be in charge of the 400 toilets under them,
is just not a good way to go through business. Okay?
Or through life, trust me on this.

So here’s how the big money is made: in Commercial. This part is vitally important here. Make a note of it, literally, Write this down. This is the meat of it, folks. Today, you have to prove ‘value’ over ‘price’. You have to prove it.

Remember, those plastic surgeons in Southern California? I’m reminding you of them now because they got shook down. They over-spent and got soaked because they didn’t know what the hell they were doing! Going in with both eyes open doesn’t mean a thing if you don’t know what you’re looking at. Or even what to be looking for.

You’ve got to find out how the property is performing; today.
Performing to-day, not yesterday, not tomorrow, not 2 years ago, not quarterly, only right now.

And never say, “I have an appraisal,” like you have really got something.
Because the last thing anybody wants to see is an appraisal.
Most appraisals can be manipulated (and they are), they can be manufactured as intended. So be very careful about that.

The pro-forma is typically a complete lie.

Complete lie. “Pro-Forma” might as well be the Latin for “Complete Lie”.

www.HousingAlerts.net/Money
We’ve seen this, time and time again. Usually, what they’ll do is they take an Excel spreadsheet and just multiply the thing by about 10% across, for the next 10 years. Just because it’s put in a spreadsheet doesn’t mean it’s going to happen! Hell, if it did work that way, give yourself a hefty raise and multiply it by 15% instead – or 20%. Why hold back? Make it 25%!

There’s only one word for it here, fellow Grown-up: ‘Bullshit’ - Absolute ‘bullshit’.

(Did that last bit make you picture a cow-pie in the shape of a vodka bottle?
It’s quite a far cry from Absolut Crystal or Oval Vodka, right?)

Pro-Forma: typically it’s a complete lie. But, it does have a redeeming quality, it is a good metric. (For those of you reading this, who do know what you’re doing, you’re well aware that it’s going to explain the place where you’re trying to get to.) But that’s it.

The further down-side is that goal is like shooting for the moon. You see it. You know it can be done. You see others do it. You’re just not going to get there on your own. Even if you ‘Richard Branson’ you’ll get part of the way there; but you’re never going to get all the way there.

Typically the Pro-formas are going to be manipulated to show a value that exceeds the debt amount. One more thing on the Pro-forma – ask any apartment owner, “How easy is it to increase rent 10% per year?”
The answer will always be some form of, “It’s tricky. It’s tricky, tricky, tricky! Particularly now”

“Particularly now” comes in because wages aren’t increasing.

As plain and as simple as I can make it: You’ve got to learn what kind of debt they have. Why do we care? Why should you care about the debt that they have? It’s going to tell you if they’re over-leveraged.
Alright, it’s a ‘tell’, a matter of sources and uses. This is going to tell you if your borrower is smart or not.

Here’s an example of it: Everybody expects a toilet and a light bulb when they move into an apartment. But they don’t expect to have Whirlpool tubs; (You know, those swanky two-and-a-half horsepower tubs for women). “Whirlpool tubs”, is that what you call them in the Master Bath. Or, they don’t expect to have a small part-time concierge service to help with dry-cleaning and packages. That’s the type of stuff that’s value added here. Okay? Whirl Pool Tub, Rainforest Shower Area, and a Concierge Garçon, what have you - that’s value-added. That’s the reason for someone to sign the lease, right then and there.

Pouring money into boutique light bulbs and gold-plated toilet handles is not value-added.

If the borrower isn’t smart, those are the kinds of ‘improvements’ he makes. Since everyone expects a light bulb and a toilet, up-sells make people go “So what? Big Deal – My plunger handle is gold colored, big whoop.”

Most importantly, the exit strategy, “How are you and I going to get paid out?” That’s the question. If we’re partners in a joint venture, I’m going to ask, “What’s the exit strategy here?”

“FHA loans,” you might say.

To which I’d ask, “Have you ever done one?”

If you have to candidly answer, “No.”

My just as candid answer is “Okay, Not going to happen. You’re not going to qualify to take out financing.”
Remember earlier about the ‘fire in the movie theater’ scenario? Here’s where it come in with this. There are buyers, all-cash buyers (we’ve hashed this out in several of our topics here, and continually in our training.) All-Cash Buyers are so not going to be the guy who thinks he’s going to make the jump from doing rehab to FHA. It’s not going to happen.

So, what do we do in a situation like this? We put it together. We put this together: we put together flight plans for people to leverage. A way to understand exactly what’s happening and when, and why, when you are involved in a deal.

You’re into a certain type of deal? Then here’s something to use as a playbook. Here’s what you’re going to be able to see. Here’s the imparted knowledge and experience that’s going to be very helpful for you to make the decisions that you’ll need to make.

Right now, currently we have over a hundred of these ‘flight plans’. The intermediaries, (we don’t call people “students’ because while they are learning the ropes, I think it’s kind of demeaning to call them ‘students’) we call them ‘intermediaries’. Intermediaries are people who bring deals to our attention. These are newly knowledgeable who have been trained by us, who has drank enough of the Dandrew Kool-Aid, so they look at the world the way we, (and other institutions) do.

The Info-graphics; we’re a little over a hundred right now, can be put into three categories generally. They go in-depth on any one of the three main strategies: acid arbitrage, capital formation, or capital placement. There are then variations that are

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specific to almost every type of deal. So that when you come across a deal, no matter how intricate, we have these easy to reference info graphics. They are extremely valuable. The alumni snap them up like crazy.

The biggest trap in Commercial is, (I’m ensuring that I’m hitting this home) the biggest trap and why people over pay. We’re talking about the Pro-forma versus the Current or Actual NOI.

The best comparison I can make to this is Match.com. On the dating site Match.com everybody has a picture. But that picture while it’s of them is airbrushed, well-lit, maybe professionally taken or Photo-Shopped. It’s them but it looks better, more than at their best. I mean they haven’t looked that way in years, right? - Or in some cases “ever”.

But when you’re on there looking, that’s what you think you’re going to meet with later for coffee or drinks, right? Yes, beautiful. Seeing is believing. Or is it? The picture is beautiful and you’re so seduced by it that you can’t wait. That’s just like a Pro-forma. You look it over, and your greed glands get moving. And you’re like, “This asset is the deal of this lifetime!”
Okay? But what you really get in both cases is...

Alright? You get the idea now. The Pro-forma is always bigger and more beautiful and more attractive, but it's not necessarily the truth. So that's the best way to look at how to analyze a deal. Keep in mind the ideas right here. Isn't that great? That's it in a nutshell.

Don't lose sight of this concept. Do not be like other people who do.

What do other people do?
They purchase off the Pro-forma! And there are real life horror stories because of it.

There was a Costa Rican Development that went this way. Not good. They had no knowledge of loan documents, or worse, the personal liability. These guys didn't know what the hell they were buying. They purchased off the Pro Forma. If it was Match.com, they thought they were going on a date with a Holly Hotness. - But 'Nope', not at all.

Having no knowledge of the loan documents or personal liability is bad enough. These people were investing overseas, there are different property laws. Residential Developments is one bad thing, and they're in Costa Rica? Costa Rican Developments, I don't know anything about Costa Rican Developments.

So how do I know these pitfalls? How do I know them first-hand? I fell in love. And I got married. You see, my not yet wife’s father, a very successful retired oral surgeon, he was involved in a lot of these general partnerships. I think part of the dowry before I could marry his daughter, is that I had to unwind him out of some of these deals, and he was a general partner in this Costa Rica nonsense deal.

He was joint, (and severely liable) for any loans on this one apartment complex. He was involved in a lot of these general partnerships. Some of them had Arnold Schwarzenegger in there. If you know anything about GP’s, they’re the most toxic
because you’re severely liable, for yourself and the other partners. Any loans, including
the ones that the fund manager puts on it are yours too. Like I say, GP’s make you
severely liable. And Costa Rica, it was just a mess. I got him out, as painlessly as
possible. He loved it, and now he loves me, thankfully. You don’t want your father-in-law
not to love you. (The admiration and respect he now has for me, and what I do, is pretty
good too!)

Today, you’ve got to be very careful of the country music song or the bad operator story.
Now there’s a joke on Wall Street – “How does this guy’s bad operator keep getting a
job?” (The reason it’s said as a joke is because it’s not the operator, it’s the decisions.)
It’s the Go-To excuse. That’s the BS excuse. “Oh, It’d of worked but I had a bad
operator.” Okay, he overpaid for it or he drove it into the ground. The key leasing’s didn’t
happen. Or he was just weak and inexperienced. And that’s the case today. I’ll prove
that to you.

Some more about GP’s: they’re the most toxic. And here’s why. Say you and I are in the
General Partnership. I go out and I want to get a loan for five hundred thousand dollars,
for whatever reason, but here let’s say it’s to get us the property. You’re just a liable for
that 500 G’s as I am.

Some of these bank loan lot documents are loaded with landmines. You have got to be
careful today of becoming the country music song or the bad operator story. People
who got in, who are inexperienced, very weak, didn’t know what they were doing. There
are people that have loans coming due or past due. We’re talking “maturity default” also
known as “term default”.

And it’s not just Maturity Default. Projects that have recently been rehabilitated or a new
construction can be potential problems too. Borrowers having a hard time getting ‘take-
out financing’, we see a lot of those. Too many! This happens to people who don’t know
how to play the game with the FHA and HUD.
Projects that have a recent bankruptcy, they’re a country music song waiting to happen. We see this too with borders, and with the other types. (‘Borders’ is what we call them now; it used to be ‘credit tenants’.)

You’re going to see in the future, again, this is just my opinion here, (I have to say that, but I’m not alone in the industry in this kind of thinking.) Best Buy, I think, is going to come under a lot of pressure, and soon, because of Amazon. A lot of people walk into Best Buy, take a picture of the product, and the model number. There’s actually an app so that you can find it cheaper on Amazon.com. (No wonder all their boxes are smirking.) It happens. It does happen. I’ve seen it happen, my wife’s one of them that do it.

So, that’s all that. Now, let’s talk here. What are the 3 major players in distress commercial? Well, you have a private bank (that’s usually us), or another institution. Let’s just say it’s us for this, okay? Then we have the ‘operator’ or ‘sponsor’, these are experienced people. These aren’t people that just came out of a commercial seminar looking to buy commercial real estate.

These experienced people, they need money. They want a new acquisition - Either that; or to get a DPO. What you’re seeing now is a lot of banks are offering performing loans, to be sold at a discounted pay-off, hence, “DPO” (Discounted Pay-Off), because of the fact they just want to get these things off their balance sheets. Somebody’s definitely breathing down their necks, usually a regulatory agency like the FDIC.

Then there are the Intermediaries - we have it structured so that you do not need a brokerage license to acquire. (That’d be you, if you can get in on a good thing with us.)

Alright, so when we’re talking about other types of deals; we’re talking about the secrets to getting non-performing/ performing loans trade. I’m very passionate about this. I also
think that this is going to be something more. People’s eyes are going to open, and are going to open up wide and go, “Ah-ha! I get it now.”

What is the number one secret to getting one of these trades closed and crossed? What do you think it is?

If you answered “Intellectual Capital”, you’re close. And I’m glad to see that you’re soaking all this in. And getting it right, you’re on the ball.

The number one thing to getting trades closed and crossed is a little bit more specific and granular than Intellectual Capital.

It’s “Specificity”.

You’ve got to know your pricing. You’ve got to know your pricing.

Look, if you don’t know what price things are trading at, and some bank asks you, “What are you paying for ‘X’?” How are going to answer that? With an amateur, “I don’t know”? That doesn’t close the deal. No deal has ever been closed with an “I don’t know”!

It doesn’t build credibility. The only thing an “I don’t know” is going to get you, is get the guy to move on, to get off the phone with you faster than if his hair was on fire! And what’s the reason for it? The more you know, the more you show you know what to look for and what the answers are, the better your chances. That’s why we provide so much of the types of information we’re providing right here. We provide this information because of the fact, that we want you to know as much as you can. We want our Intermediaries ‘in the know’. The more they (and you) know, the better and greater their success.
Remember, “yours truly” over here has a greedy motivation, ‘to deploy as much capital as possible’ because if that capital is not deployed, it’s not competitive and it’s going to go to another shop. That’s it.

So, know your pricing, okay. This is important here. Now don’t go using the upcoming pricing because it’s old, not so much ‘old’ as it is ‘stale’, but it’s not current enough that it’ll hurt you.

While it’s basically not relevant anymore, it’s a sample of the in-depth type of information that we provide to you. These loans are not liquid. (It’s not like you can get ticker on yahoo finance.com and find out what these things are trading for.) We aggregate these from 4 different, whole-alone, trading desks. We then put it in an insightful and digestible spreadsheet. Then we send it out to a PA to upload into this beautiful graphic here, which our people then use for reference.
Let’s get back to our “Specificity” scenario -

So now you’re on the phone with someone, and you’re like, “I have a portfolio of Texas product”

He asks, “What do you think it’s trading at?”

Instead of an amateur, deal ending, “I don’t know” or “I’m not sure” You’ll be prepared to answer. And come back with something professional like, “I see that between a seventy and a seventy-five. Seventy’s, well around, seventy handle.”

‘Handle’ means like a range. Remember it. It’s a cocktail term and the lingo of our profession. So now you’re saying, “Around a 70 handle.” Now, you’re more important. Now you’re seen as somebody who knows what he’s doing.

Well, let’s say the last trade we saw was around 72, okay? In our provided information, we also tell you exactly what it is that we have. This is universally based on single family residential product, detached, not condos. Average value $200,000 minimum value $80,000. For NTL’s, you’re going to subtract ten points on average.

We have it out here, and make it so that it’s fool-proof and simple. So that when you’re talking to someone, even if English isn’t your best language, you can tell her what the pricing is. And we do have intermediaries who are English as a second language, absolutely.

They get what I’ve shown you here. But they’re not focusing on doing this. They’re doing ‘capital-raising’. (Of which we’ll get into in a moment.) Understand that, talking about Commercial, The Three Checks, this is what Wall Street, and how the Goldman’s of the world, do it. This is how they structure their deals: “funding point”. You get cash up front.
If you’ve ever taken out a loan, if you’ve ever done anything – “Funding point”. It’s the most important part.

You’re going to pay points to the broker. Up here, it’s usually about a point, maybe a point and a half. The interest rates’ spread, this is where the banks make a lot of money, (I’m going to get into an example of this.)

And then, lastly, this is what you want to aim for ‘equity participation’. You want to get the equity participation. This is a hope certificate. “Hope Certificate”, (it’s another cocktail term).

This is the true wealth, and without the burdens of ownership. That means that you’re in-place. You’re into the capital structure as an owner. What’s ‘capital structure’? (We’ll get into it in a moment). The main point here is… Regardless whether a little old lady blows up her toilet at three in the morning or any of that nonsense, it doesn’t matter. It just doesn’t matter. You’re still going to get paid, does that make sense?

Their problems aren’t your problems. Think about it, you don’t have to take that call. Nonsense like that is for the little guys.

And that; is exactly it. If you take a look at JC Penny, you’ll see they have a lot of mall partnerships. They have to sell them, and sell them right now. They are valuable, but the reason why they’re valuable is because of their income streams that are coming in.

Your goal in life is to get as many form K1’s as possible. (I’m going to let you find out what this means, “K1’s”. ) Your job is to get as many form K1’s as possible. If you ever have a rainy day and things aren’t going well, your cat dies or your dog dies...I’m not going to put that one you. I’m a dog lover. So, for me that day could come. What am I going to do on that rainy day? I’m going to run over to my filing cabinet, and look at all the K1’s I have, because those are ‘ships at sea’ waiting to come in to port. Alright?
What does it mean to think like a bank in order to prosper? You need to know how to qualify each deal and structure correctly - Now more than ever.

Alright, so, how do we make that happen? We want you to focus on being a commercial financier. The “gurus” don’t teach the complete real estate capital strategy. We do. And the total real estate capital strategy to me, and us as a team, is the 3 bases.

I want to take a moment to remind you that we have direct, and immediate, access to substantial capital base right now. That is ours.

We do sometimes group with other larger institutions. We can take down part of their balance sheet. We’ve done it before. But direct, and immediate, access to substantial capital base, this is really where the real wealth is made - Especially in these times of chaos.

Some people call this “match making”. I call it “control and profit without burden”. I think (and know) this is the ultimate way to control and profit from commercial real estate, without the burdens of being the owner.

I’m putting it here in black and white for you: I want you to become a Commercial Financier. With that in mind, there are two (2) common questions that we have, that come up here, right about now:

(1) With so much money available to you; why do you even need me, an individual investor, to help you find these deals?

And-

(2) This sounds great; but is there really enough distressed commercial investment opportunities to be worth my time?
These are legitimate questions, don’t you think? You’ve probably been pondering these as you’ve read the above. So to answer your very legitimate questions and solid thought process:

We want to work with aware investors, because that’s how we win. Real estate is a local game, it’s very inefficient, and the more feet we have on the ground, the more it gives us leverage. It gives us the opportunity to see what’s really happening in the markets right now. Not ‘special reports’ or “spin” but happening right now, right there. Number one, we need aware, local, investors.

Do I think that there’s really enough distress commercial investment opportunities?

Well, you can answer that question for yourself. Not me telling you, draw your own conclusions. In the charts that I showed (and I quoted chapter and verse) there’s 1.4 trillion that’s coming due in the next 5 years! Even if you were to do just one deal, only one, out of the 1.4 trillion, that’s a lot, don’t you think?

That’s huge. Now ask yourself this: Where are you in a city, or even towns, where you’re not seeing some sort of retail mall that’s going dark, or tenants moving, or have signs saying ‘For Lease’?

Every single one, at least that I’ve been in, for months and even for years. I know you’re seeing it with your own eyes. You’ll notice a lot more know that you’re looking for it and it’s of relevance to you.

It’s happening all over, from the pre-assignments on Madison Avenue to the centers of small town in Iowa. You’re seeing a lot of shops close.

It’s happening. And it’s happening everywhere. You can be anywhere. If you’re in Iowa or New York City, or Las Vegas (the hot bed for this), or parts of southern California, you’re seeing the opportunity right now. If we only had $25 million to invest, we wouldn’t
be talking. But, we have a lot more that’s available to us, and I have a self-motivation to increase the assets under management. In order to do that, for me to draw an increase, I need to show there’s good, meaningful, deal sourcing. ‘Deal sourcing’ is paramount.

We’ve gone over the problems of not knowing all there is to know; what we’ve been referring to lightly as the “Country Music Song”. There is knowledge to be mined from other peoples’ mistakes. We’re going to drill a little deeper and see how we strike it rich, by avoiding the dry-wells. Let’s take a serious look. Where are all the ‘country music song’ stories coming from when it comes to real estate? What do they all come back to? Let’s take a look, and pull back the stories. Let’s really get it down to the brass tax; and let’s filter. Filter out all the crap. The moaning and the painful stories come mostly from four areas.

Up front, it’s usually the debt, usually it’s over leveraged. There’s default’s, there’s 3rd party stress, there’s bank regulatory stress (that’s running about 40 percent). That’s officially, 40 percent, right now I think it’s going at a little more than that, I see it as probably closer to 50% today.

Next up, Country Song contributor number two: The assets, not attractive. The assets aren’t attractive, they need to be, not a mirage, but ‘the real McCoy’. “How is an asset not attractive?” glad you asked. Somebody bought something, and thought they’re going to change around. (And didn’t we call that a ‘key event’?)
Key event – that’s important to understand how that works against you. It goes like this; it’s usually something like “We’re going to transform this hospital into a children’s disco.” Nope, that’s just not going to work, okay? I’m exaggerating here to prove a point. What the commonality is that there’s key tenants that have moved out, somebody went “dark”. That means they just up and left - Occupancy problems.

They just close their doors. Business club borders are the first and best example of that. Take Circuit City, (if you remember that.) Sponsor operator level - these are the people who didn’t know what they were doing. They’re usually doctors and dentists, no offense to the medical profession, but that’s usually who these folks are, and what happens to them. They’re good at being doctors and dentists and not so good at investing money; as we discussed.

And these are people who are weak and inexperienced operators. Absentee owners - they didn’t know. They didn’t know what hit them, didn’t know what they were doing, they overpaid for it, they fired the management company to save a few points, and it usually blows up.

And they didn’t just hurt themselves. There’s something that’s not really talked about much but there’s equity investors in these things too. And these equity investors want to get out. And these trade and they’re called LP Secondary’s. (We’re not going to get into that too much here. There are other, much stronger opportunities to really take advantage.) But, if you like distressed notes, you’ll love LP Secondary’s. And that’s a whole different thing.

This goes back to people wondering why we need their help finding deals, since we have such a large supply of investment capital. Why we need your help in finding investment opportunity. This is another reason why. We need your help.
Real estate is a local business it's inefficient. (Yes, we went over this, but I just want to make sure it's here.) We have a massive amount of money and that represents both an opportunity and a challenge. You could have $100,000,000,000 sitting in the bank account. But, if you’re not deploying that-theoretically that's what people think what a fund is-it's not really what a fund is. However, people think that we're just sitting on money. We’re not.

That money has to be deployed. It has to be deployed because deployment makes it competitive. If it’s non-deployed within a certain period of time - guess what happens - people will do a ‘redemption request’ and take that money. And move it somewhere else, they'll move it. They’ll leave because they’re able to then deploy it, by buying triple net lease per and shop codes. There you go. And at 9,10,11,12 caps, which is great! Okay?

So the question is, “Would you know what to do with a commercial investment opportunity if you found one?” There are a lot of reasons to have a fear of failure. Here's where all the problems start. Here’s how you are going to come up a commercial real estate loser.

Your nemesis is going to be the ‘time vampires’.
(I’m borrowing this term from Dan Kennedy)
but I think that’s a perfect description.
It’s the perfect picture of the type, a ‘time vampire’. These are fellow seminar grads that are desperate and clueless. Okay, so they have to pay the power bills, they need to close the deal. But I’m telling you, flat-out, you should be doing something else.

‘Linked-in Flakes’ - Get away from them! The first thing, and I mean the first thing, I have people new to the office do is show me their Linked-In account. More often than not, I'm meaning down to the one, really. Down to the one, they’re connected to all

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kinds of people that aren’t institutional players. And I really stress they need to disconnect. OK, it’s not ‘stress’ so much, as, well, I ‘make’ them.

Disconnect from the outside society. People joke that I am forming a real estate cult - That when you come on board, you have to drink the Kool-Aid and get a good brain-washing. Many a truth is said in jest. But it’s not quite like that. I want you to succeed. I want to remove the obstacles that have been holding you back. I’ve got a vested interest in what we’re doing. Linked-In Flakes are wondering around aimlessly, not having a clue, looking for someone to tell them what they should be doing. That’s not who I want to do business with. Linked-In is more than half-full of people who could not spell their own job title correctly. That’s not you.

Time Vampires and Flakes also hang out (and I do mean ‘hang-out’) on LoopNet. Almost everything on LoopNet is overvalued. And LoopNet itself is overvalued as a source. What’s LoopNet’s self-proclaimed claim to fame? - That they’re the “Most Heavily Trafficked Commercial Real Estate Marketplace Online”. No mention of a dollar figure, or deal volume, just traffic. Heck, even McDonalds tells you the size of business they do by saying how many people are served, not how used their doors are. LoopNet is the joke in the industry. It’s where deals go to die.

Facebook - Facebook is great! - If you’re a college student, or a stay-at-home mom itching to talk about last night’s Dancing with the Stars, or you have no real-life friends to share with to tell what you ate for breakfast or the shirt you picked out today, or you’re unemployed and wasting the day away. It’s no place where you are going to find deals.

We like Linked-In. Don’t get me wrong. We like Linked-In, but you have got to be “Linked-In” to the right people. - Wearing the right clothes, to the right party.
Alright, I know you see what I’m getting at, it’s a mind-set. So, let’s move on to marketing. Marketing today, Ladies and Gentlemen, means there is no excuse whatsoever for not finding meaningful deals today. You should be sourcing deals. The reason there’s no excuse is because we’ve put together the resources for you. These are an amalgamation of Linked-In groups, full of the right people, a consolidation for the top groups from each one of our capital strategies or basis, if you will. Okay?

This is all here. It’s all there. There’s no excuse for it anymore. And if you want to go deeper… we put together info-graphics on marketing. So you could find the right connections. It’s easy. Start at the top, go all the way down. Start at the top, go all the way down. And we also explain the reasons why you want to do this. Then show you how-to, show you how you are able to network to find these deals.

The ‘time vampire’ repellant, - this information is garlic or sunlight to a time vampire. Remember we were going to talk about how to qualify these deals in 90 seconds or less? Here’s a way to do that.

The current and the line - We want to know what the current and the line is. Know this, you’re not going to get that on the ‘first ask’, okay? You’re not going to get that on the first date. You’re going to have to pressure them. That’s because, this early, usually whenever they show something, it’s just the Pro-forma. And that looks pretty. (You know how that goes now, ‘wishful thinking written down in an Excel Spreadsheet’.)

Debt Stack - You’re going to want to know what the “Debt Stack” is. Why do we care about the “Debt Stack” in Grown-Up real estate commercial? A lot of these loans are assumable. And sometimes these guys, if you qualify it, using the current and the line, you’re able to buy at a good discount of the NOI. Guess what? You’re going to be able to assume that debt. You’re going to raise a little capital around it. Raise capital from places and people that I tell you to, and you’re going to be able to add that to your
portfolio. Before you know it, you’re quietly building an empire. You’re going to be the Donald Trump of Anywhere, USA! Isn’t that great?

Sources and Uses - Where’s the money going to be used? When somebody gives you a dollar, they want to know where the money is going. And more important to them; how is it going to come back? - As more or less? How is it going to apply value?

Exit Strategy - How do you and I get paid-off? Our pay-off is in the Exit Strategy. If we’re looking at these deals, and we’re buying at a discount, and they need some work, how do you and I get paid-off? Where’s the payday for us? That’s the most important part. I think it’s time for us to do some deal structuring, ready?

So here we are, ‘Your Deal’. We’re talking about a deal that you bring to us. (Remember, borrowers are going to come to you looking for a $5M dollar loan to buy, say, an apartment building REO from a bank.) The borrower found you. Found you on Linked-In. (I told you we liked Linked-In, and the right people. - Wearing the right clothes, to the party are you?)

The borrower is experienced. He’s not a “desperate and hopeful”. Now on this deal, we’ll call the after-repair value at around $10 Million Dollars. Again, this is our bread and butter type deal; $5 Million Dollars is our average deal size.

First thing on the checklist of any deal?
Check number one: Upfront Points!

Here we go! The breakdown on Upfront Points: You’ve got a $5 Million Dollar bridge loan , 9% interest, the funding source in place (that’s us), so you’re going to be getting 1% of $5M, that’s $50,000.00. That’s sent to you. 50 Grand, that’s quite a lot of money. To take it out of strictly monetary terms for a second - How many houses would you have to rehab to do that? How long and how many Rehabs would get you to $50,000 profit?
Check number Two: The Interest-Spread paid monthly. This is the most important here. Two percent interest, I’m going to tell you ‘9’, right here, but in the term-sheet I’ve been sending out, it’s saying ‘11’. Concerning ‘Your Deal’, now you’re making $8,333 Dollars a month, for a year.

Check number Three: Equity kicker.

For ‘Equity Kickers’, I’m going to need a brief aside. Are you still with me? Good.

Here it is. $5M after developed equity, of which 10% equity goes to you, another 5 million dollar bridge loan, 11 percent interest, is $50,000. That’s the size check you get for upfront points, $50,000. And then, on top of that, you’re also getting a 2% interest rate spread.

If you’ve ever paused to wonder why the largest building in every state, in every city, no matter how big or small the place, the largest building is owned by the bank. This is why. It’s because of this spread.

Now, I’ve been to places as small as Silverton Colorado, and even there, the largest building is owned by a bank because of this, because of this spread. The banks borrow from the Federal Reserve low, at 0% or 1% kind of low, and they lend it out to you at 7 or 8 percent. And that’s how they capture the spread. That’s their business right there! So now you know why it pays (quite literally) to think like a bank.

Let’s get back to ‘Your Deal’. $8,333.00 a month, for a year, that’s a pretty good car payment on a lease. Like for a Bentley, don’t you think? But I mean mostly, what I’m pointing out is, you can use that money. It’s yours. It’s yours to use and put into your self-directed IRA (if it’s structured accordingly). Want to put something stronger in your self-directed IRA? Hope Certificate -really what you want to put into your self-directed IRA is this 10% hope certificate. That’s where the “Mitt Romney Money” comes from. It’s how he was able to amass $102,000,000 Million Dollars in his self-directed IRA.

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As amazing as it is, and sounds, it’s not rocket science. There are other fees that can be made here too. Have you ever dealt with a bank before? Then you will know there’s pre-payment fees and there’s all sorts of late fees and renew and extension fees (which are usually a point). There’s many ways to make money out of that, this time around you’re on the receiving end of those fees.

So the questions become: “How many commercial investors do you know that need money for commercial deals?” And, “Are you having problems finding it?” Plus we should add, “How many people don’t have the experience, or deep pockets (if they knew where the money was), that they can play match maker?” I think that’s very powerful. It’s a powerful concept and idea.

This is really a once in a generation opportunity. You’ve got to think, and this is a very painful question to ask, “Am I a winner, or a loser in this market; Winner or a loser?” – you’ve got to figure this out.

Are you going to be working at a Wall-Mart, or are you going to take care of things on your own? Do you think it’s time to jump, while there’s blood on the streets? Do you really want to understand how finance works? Remember what we’ve gone over, it’s a fact, if you don’t understand money, then money is going to push you around. Don’t get pushed around.

Multiple streams of consistent and dependable income are there for the taking. Remember that funding points, interest rates, spread equity participation, hope certificates, that’s important. Understand these things and you’ll understand money. Ladies and Gentlemen, you’re on your way. You’re reading this. That tells me you want to know. That you want to learn the new rules of real estate, which are that you’re not in the real estate business, you’re in the banking business. You are incumbent upon what happens in the capital markets for anything you do, those 0% interest rates, credit

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cards, balance transfers that you get, it's a result of cheap and easy liquidity in the market.

Henry Ford once said if people understood how the fractional reserve banking system works, there would be rise in the streets the next morning. I'm paraphrasing to make a point, for the nitpickers out there, for the record his exact words were: "It is well enough that people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning." - Henry Ford

You get the point, and it's as true today (maybe truer) than when he said it. Unfortunately it continues on, the population today, the way they are, with the lowest SAT scores on record...Well, I don’t think that anybody’s really caring about that right now. What I do care about is this, I care about the people wise enough to learn for themselves and read this, and other resources about shrewd money. You are smarter than the rest. That inspires me and so we want to make sure you’re armed with the right intellectual capital.

This is societal Darwinism here. Ignorance is not bliss. It keeps the poor broke and deeper into debt. This is how the world works today: The biggest difference between the wealthy and the poor is the understanding of how theses financial systems work. It’s not taught in school, this type of education is kept only among the wealthiest people.

Think about it. You’re not going to get the best job in Wall Street if you didn’t go to the best schools. And even then, if you did go to the best schools, you'll probably end up at another company, earning for someone else. If you want to earn on Wall Street, you have to go on, and go to the best MBA School or Law School, in order to go through an associate program to even get a chance at where you want to be.

That’s not available to everybody. That’s going to cost $250,000.00 debt. And it’s a debt you can’t shake if things don’t work out. You can’t bankrupt that debt away. Those
school loans are on you until you die; literally die, ‘parting the veil’ and pushing up daisies. That’s why we’re talking about the things we’re talking about here. In a society where there’s a societal Darwinism, where it filters out certain people, and will always be that way. Nobody’s going to teach finance in textbooks in schools, just not going to happen.

There’s always going to be that hold back of information. Here’s the painful example of it: There’s this guy, he did everything he was supposed to do (it’s a real-life example but I’m not naming names, no reason to rub salt in the wounds). So this guy does everything he’s “supposed to do”. He went to school, he went to college, he got a great job at Oral B, he was a former Vice President of Marketing, and he was making six figures a year. That seems to be the American dream, right? He attained The Dream. The American Dream of a lot of people. Doesn’t end well; Reality woke him from the American Dream he was in. Flash-forward, now he’s a food demonstrator at Sam’s Club, and moonlighting by flipping burgers and serving drinks at a golf club for slightly more than minimum wage.

This is ridiculous. This guy did nothing wrong in life- well, nothing wrong according to society, nothing wrong on the surface. He did do a lot wrong, and I’ll tell you what it was, it was that he listened to people who didn’t have anything. He listened to his bullshit financial advisors. The ones that told him that you just keep your money in the stock market, and you keep plowing away your savings and to these 401k’s, these defined contribution plans, and everything is going to go well. That was the mistake he made and that’s a mistake that about 80 million people made too. Financially, they blindly marched right off the cliff along with him.

That’s a big problem here, we’re all facing now. This guy probably worked hard, he did everything he was supposed to do, and he thought he listened to the right advice. Here’s where it goes wrong on his end, the people that gave him advice never had to deal with the consequences. They never had their interest aligned with his.
They never had their interest aligned. I’ve seen it time and time again. Here’s another quick example: A kid who’s 24 years-old selling investment products at Citibank. How does he know anything? How does he know anything about the stock market? There’s no historical precedence to follow what the market’s going. In short – he does not know anything about the stock market. Okay? He doesn’t. He watched CNBC (I hate it, “Everything is just rosy. Everything is fine! This stock market is going up.”) Even if that were true, it’s not going to last. So these people are going to be working poor broke, I mean this is terrible this is like the 1920’s all over again.

The key take away here, which really moved my lower intestine, was I earn in an hour now what used to take me a week. It’s all because we’ve opened the doors to true financial knowledge. Here we now have some dandy Intermediaries who are successfully raising capital around other people’s deals. Sometimes our deals, sometimes, they’re just bringing deals to us as an Intermediary. But no matter how they approach it, they’re placing it in a way that they like. We’re able to do it all ourselves. Or we have some of our friends chip in a few bucks and then we take care of it. By that I mean other institution industry friends that I have. These are definitely people who are not going to end up as Golden-Years Burger Flippers, I can tell you that. They’re not going to be those guys. Why? Because they know what they’re doing (Yes, it bears repeating. It’s that important.). They’re smart, they’re always-smart people, but they didn’t always have the skill set. The skills that they have today are making a big difference in their lives; the difference between whether or not they eat a fish or learn to fish.

I’ve never met an economist who was right. I think that’s the snake oil salesmen job. I really do. They’re being paid to sell products, macro-economic products. That’s all their doing. This is society today. I mean jobs are being forced overseas. People who are forced to take jobs here are working for market wages. Wages that are much materially lower than they’ve ever been before. There are people who are making less per hour than they did in 1968, on an inflation bases. That’s painful.
You go to a gas pump, and it’s a global thing.
It’s not just specific to America, it’s a global thing.
And you’re starting to see the divide between the ‘haves’ and ‘have not’s.
The ‘have not’s are sinking mostly due to the fact of their inability to understand how money works, that’s it.

What does a debt-slave look like today? I get approached and people tell me, “I’m going to have a very frank discussion with my (children, grandchildren, niece, nephew, etc.) I want to tell them and really tell them what’s going on, and what to do. What would you tell them?” Following are the points I’d definitely cover with them.

I think college is important, but - the lesson you want is for your kids, or grandkids, to not have to get into such deep debt, while not having the prospects out there. That’s the issue. One deal you do with us can wipe out a large chunk of this debt, most of it, maybe all of it. Pushing it a little further, for the deal structure junkies out there; if you’re doing deals, have it covered in self-directed IRA. This would prepare your kids, and your grandkids, for college. You can be the rich grandfather grandmother, uncle or aunt, etc.

Please don’t misunderstand. I’m not against college. I think it’s important for several reasons. I just want to say that. Not for the reasons most people think. Namely for networking, I think it’s important, college is important to get a handle on networking. Meanwhile the costs have surged, because of the availability of debt. I mean they’re lending money to people who, at a young age, don’t know what they want to do yet. What they want to aspire to. Hell, I thought I wanted to be a physician, a surgeon.

The reason cost is going up and not in value; it’s just like real estate. The rising tide floats all boats. The reason why real estate costs went up is because of the cheap availability of debt. We saw a whole sub-prime market, talk about that! This is the same thing here, as with anything else.
There are benefits of being a match-maker, or private equity model, or a private bank for us to fund, bridge loans and to provide equity for commercial real estate. Your biggest enemy today is sitting on your money. I don’t care who you are, how rich you are, if you have one million, or two million in your savings account, you’re still poor, if you’re putting it up to a savings rate.

There’s really nothing paying more than 2% today, the average right now is 1%. Your biggest enemy is lack of consistent risk-free cash flow. It’s important. And you have to have your intellectual capital at your disposal. This is something that no one can ever take away from you. You’re going to learn how to team up with our PE (Private Equity) fund, to invest alongside us, on multi-million dollar commercial deals. And invest in the kinds of deals that you’d probably never be able to invest, or do, on your own.

Our playbook, we have a playbook, on how to structure deals. It’s about how to protect yourself from risk. How to maximize your own benefit every time, with credibility, this is the most important part. Credibility is intellectual capital. You’ll be able to be taken very seriously. And learn to conduct your business as a professional, with the emphasis on how you get paid. What you should be looking for, the types of assets, because this changes, and sometimes changes every quarter.

With our playbooks, you’ll know how to tee-up a deal for funding so you don’t get laughed at. If you don’t want it, there are many other institutions out there who will take a look at our techniques and our agreement, so you don’t get, or feel like, you’ll be screwed. Cash today at closing, plus a residual passive cash flow; this is the ability to become a silent partner in a lot deals that we fund. The deals that you bring to us and that we fund, of course.

You get the benefits of ownership, without the common burdens, so you can do simultaneously more than one at a time. You don’t have to deal with one person calling up saying they can’t make the rent payment. No longer being someone who is a
landlord, who is having a hard time with tenants. You don’t have to run around town looking at homes either. This way, the way we do things, is something that’s all done only on paper.

We do all the due diligence. We out-source that to local operators, you don’t have to worry about that. This is our business model. It is meant to be white-collar real estate, not blue-collar real estate. That’s the hard way, which is what a lot of guys and girls are being taught to do, the hard way.

You’ve got to get out of that mind-set right now, it’s just not happening. And there’s virtually zero risk if structured correctly. Let’s face the facts; you don’t have any of your own money or credit in these deals, what’s the worst that could happen? What’s the worst that can happen? What do you lose? You gain a lot, as far as experience is concerned, but what do you lose?

It’s a much better way to protect yourself. It’s a much better way. This is our strategy. Do it the much better way, structured correctly, for virtually zero risk. We’ve our best plays right here, we’re establishing private banks at aggressive commercial deal structuring strategies, this is a very important part of what our business is today. This is “Welcome to Distress Real Estate 101”.

I’ve got to ask this of you, “Would you know what to do with a commercial investment opportunity if you’ve found one?” Give an honest answer. You owe it to yourself and no one will judge you for it. We have a huge amount of investment capital right now. We can make a lot of money with these Intermediaries, a lot. And we’re looking for a few folks, men and women, but grown-ups. Men and women who want to step up and become Deal Makers; that are interested in creating wealth through a deal structuring strategy.
Remember, I have a ‘Caveat emptor’, (I’m just being completely honest here ) I have a greedy motivation. I have to deploy capital. Otherwise it’s going away, to other funds. It’ll go to other institutional players. It will migrate. And I don’t want it to do that. This is my agenda.

That’s my agenda. This is what I’m coming down to. So now is your chance. Now you have to think about, “Okay, where am I today? Where do I want to be?” And, “If I’m unemployed for a while, do I really think I’m going to find meaningful employment?” If you’re under-employed right now, question, “Shouldn’t I be using the time to watch the videos that Sal provides in his training on my smart phone, while my boss is paying me?” (A lot of Intermediaries do that. I don’t think it’s necessarily right, but ‘whatever’. People have to do what they need to do.) Where there’s a will, there’s a way.

We ‘put-together’. We put deals together and deploy the capital. You are the master of your own circumstances. It totally is true. I am a testament to that. All our intermediaries are masters of their circumstances, every one of them. Every one of them feels this way. I can tell you that.

Do we have a complete commercial provider joint-venture system that we put together? Yes. This is the banker program that we utilize as our entry level program. It’s comprehensive real estate banking training. That may sound sophisticated, but don’t worry about it being too sophisticated or complex.

The Comprehensive Real Estate Banking Training just goes into the concepts that we’ve gone over. And it relates to how you structure these, how-to make the Three Checks, and the importance of it.

We want you to be knowledgeable about these things. We’re offering this up to you. It’s here, come and get it. This is the information other gurus ask big money for. And people are paying it! I was never a guru before (or since, it’s not for me). One time I was
asked, and paid to take over another guru’s commercial business seminar. I was blown away that people were actually paying the other guru $2,000 apiece. Of which, ultimately, I never made any of that. And I resolved to not do it again because taking money to tell people what they should know, that’s not what I’m about.

Find out for yourself. Go to HousingAlerts.net/Money or call toll free at 888-473-6587. When you call you get a hold of someone who is real and live on the phone. The quickest and easiest (most convenient for you) to get signed up, and do it right now is to go to HousingAlerts.net/Money. There waiting for you are the banker system contents that have, what we call, the “quick start guide and owners’ manual”. That’s on top of what we have there, the 12 hours of video in over 5 or 6 series. That’s a lot of content.

There are people who actually drive cross country listening to those things. I can’t believe it. I didn’t think anybody would ever want to hear me speak. Yet here they are, listening to me monolog on car trips. I’m so enthused and excited when people want to learn these things for themselves, I don’t let them get a word in edge-wise. Yet, here are people living and hungry for that experience of me imparting knowledge for miles and miles non-stop. Hey you live and you learn, right? I’ve found you could listen to me for a month of Sundays, from now until New Year’s Day. And you know what? You’ll be very smart, and you’ll be very happy.

Our vast library of materials explains how you’re going to qualify in these deals. It’s all there, what you need, when you need it, how you need it. It’s an easy reference guide for beginners and experienced real estate investors alike. That’s important to us. That it be so versatile and not dumbed-down in any way.

A few ecstatic alumni started this, and they wanted more. “Hey!” They said to me, “You should put together some sort of monthly program, a newsletter, or something.”

I said, “Really? - Ok. Why not have video?” If you’re going to go, go all out. Why not?
This has evolved to what we now call the AskDandrew™ Program. It's an interactive program. We provide all sorts of other content, it's our Continuing Ed.

The types of topics and issues it provides: we talk about a content base. We talk about 'something' of the day. This is something that we were just talking about: Capital Structure. People pay $97 a month for that, a lot of people, and it is like a club. Since I didn’t start this, I love to mess up these terms that they all say like “mess or press”, or “cap stack”. Even I sometimes have to find out what the hell they’re talking about; but they like throwing these types of things around in their club house. So we have the classroom. The classroom content exposing our best strategies as market changed, okay?

And they like the AskDandrew Program because it’s like a seminar. A seminar you get every month. There are “gurus”, I’m sure, who would charge $3,000 dollars to put together a workshop and take all day. Just to talk about the equivalent of information we provide on our one-page tear sheet. Tear-sheets are tabloid size; they're in beautiful living-color. And quite frankly, you should use them as goals. We have people that
actually hang them up in their offices so that they’re reminded. And it’s easy to reference.

There’s dedicated info-graphics, and the blue prints (which I really love). You can download them immediately and save them permanently to give to your grandchildren. This is license free stuff. Or you can print it later, it’s concise, it’s very visually laid out, easy to understand, at just a glance. Some people pay the $97 a month just for this part of the AskDandrew™ Program. They use nothing else - their own private inspirational (and informative) poster print shop.

So, okay, we can beat you over the head with all the content and impress you, but that’s not really going to mean anything is it? You’ll want to see it in action.

We also have the laboratory. The laboratory lets you see it in action. We introduced this about a year and a half ago. Some people are paying $197 a month for it. It’s a little different. What this is, while it’s including the banker series, it’s the classroom concepts that are then applied to real-life case deal-studies.

This is basically, Good Ol’ Sal going over student deal submission, intermediary deal submissions or anything else that happens, daily stuff that comes across my desk from my industry friends. And the members tell me they really like that a lot, because they really want to see us ‘walking the walk’. Like, “Oh, so this is a Sal sort of situation.” It sort of gives an insight on “How would Sal manage the situation?” Everyone found this to be very important.
Remember back in chemistry class, if you took chemistry, (or any hands-on trade subject) there’s what you learn in the textbooks. And then there’s a laboratory. And I can tell you (but I’m sure you know) all the true experience came from being in the laboratory. We have Monthly Continuing Education video series.

I promise you, I told you this before, now you know where all the bulk and the non-performing loans, REO’s and performing loans are coming from. Right, they’re all coming from banks with less than $2 billion dollars in assets.

Well, how do you find that? You go to FDIC.com; that’s why I go there. But, it doesn’t give us a search engine. Well, there is one. They don’t give it to you. You have to dig for it and it can be tricky. You have to go that special back-end search engine site to get to it. Guess what? Yep. We have an info graphic for that. Just like Apple has an app “for that”, I have an info-graphic “for that”. This is where you’re going to find everything, and the easy step-by-step instructions. This is for immediate success. Value on that is $97 a month. That’s what people are paying for, the AskDandrew™ for the banker membership level a mere $97 a month. We have all sorts of other things as it relates to.

People are visual learners. A lot of times I’ve seen what my competitors have put together, and they’re textbooks. Well, I’m not certain they’re actual textbooks. I do know they’re three ring binders, triple-space and size 16 fonts. I distill it down to the simplest things that you need to know, with the most important details, in order to become successful.
AskDandrew™ materials - No fluff and beautiful living-color. It’s great. It really is. Here’s the most important part of the relationship. These people are going to be helping you. There’ll be assistance in deal structuring. You’re going to analyze the submission, the deal story, and email communication response. I want to make sure this is understood. This goes back to the laboratory, this is critical, the person who submits 10 deals a month, or 20, has 10 or 20 times more experience than the person who submits only one. Only stands to reason and makes perfect sense.

Okay. That is where the real value comes from, being involved with us. It’s that were giving you feedback. We pay people to give you honest feedback. Genuine interaction is here for you. These are people in the US. (This isn’t someone in the Philippines or wherever off-shore who’s going off with a script.) Why? You know why - Because

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there’s alignment of interest. If they’re not closing deals, they’re not being paid. But it is a two-way street. You have to submit the right deals, in the right way.

In the past, we’ve had people, sign-up for this. They were paying 10k a year just to be able to learn through these types of situations. But that’s not pure alignment of interest. This is real-live, hands-on, hand-holding. The person, who submits 10 deals a month, will instantly have 10X more experience than the person who submits only 1. And we give a lot of actual feedback here.

We provide a lot of feedback as it relates – “Let’s think about why this works.” “Let’s think about why this hasn’t worked.” We want to streamline the process for you. A lot of guys are spending a lot of time, putting together these presentations, finding these deals. But what’s happening is that you’re only as good as the last deal you submit. And you should always be learning. That’s where the real opportunity comes from. Our interests are aligned, day one. We always have an alignment of interest. No one else gives you as much commercial deal support as we do.

What are your kids learning? Here’s another value-added, another incentive to consider. The wealthy teach their kids how to make money and create revenue. The poor teach their kids to stay poor, not intentionally though. It just happens to be that way, and they ultimately lose. The governments today are running the printing presses and keeping interest rates artificially low. Because let’s face it, if you have $16 trillion dollars in credit card debt would you rather be paying 1 percent interest; 2 percent interest? Or 9 percent interest on that?

(To help you decide, here’s what the math looks like: $16,000,000,000,000.00 by X %)

Today, the savers are the losers. People, who do not understand money, are going to be pushed around by money. And we see this, all the time. If you want to prosper today, you’ve got to learn. You’ve got to understand that learning is a lifelong commitment.

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spend $25,000 a year on newsletters and private membership sites. I’ve been known to show some screen shots in the Lab. (I hope nobody who’s a part of those, sees them. I’m sure they wouldn’t like me sharing.) I take the chance, and am putting that out there, because this is the stuff that you need to understand.

Avoid television like the plague. There’s nothing on television that will... just know there is nothing worth-while on TV. Especially when it comes to this, to creating wealth, TV is especially toxic relating to that. I have a friend, he says he can always tell the socio-economic class of someone by how well they know pop-culture and the latest gadget that they have. If you know who won on Dancing with the Stars and all that kind of stuff. If you love being distracted with Facebook, and mind-numbing trivial information and crap; chances are you shouldn’t be on this. This is not for you.

If you like Keeping up with the Kardashians, and you like watching... I got stuck into coach on a flight because it was a last-minute booking from Las Vegas to New York. Next to me was this lady, she had her whole seat look like a bird’s nest of all those tabloid magazines. And I could just look at her I knew she was a mess. It’s just a mess.

What does that mean? It means the biggest asset that you have is between your ears. Nobody can take that away from you. You have to invest on it. You have to grow it, nurture it. You have to continue to build your arsenal of intellectual capital. You have to protect it, too. Do not let others control your thoughts, period. It’s a shame, it really is, and I said it before – Today, the savers are losers.

People come up to me with “Let’s talk about this arbitrage” or “I want to I know a lot of banks who deal”

So I’d like to go over that here, with you. So, first of all, you want to deal with the bank. And deal with banks that are, or have, less than 2 billion dollars in assets, correct? And this is non-performing loan in REO asset trading system. This is important, because this
gives you unprecedented institutional access. This is hanging out with the grown-ups in
the industry, the big men, the big women. This gives you the ability to cross trades,
which you may have previously known as ‘whole-sale’. But now, your vocabulary has
changed, this is giving you the opportunity to cross trades with Dandrew, and all the
Wall Street whole-loan trading desks for NPLs, RPLs (which is re-performing loan), and
REO portfolios.

People have paid $1,497 for this. Let’s just call it $1,500 bucks, ok? Our Marketing guys
went over this, the price tag, the “prospect’s buy-in tipping point”, but it seems like
nonsense to me. Anyway, $1,500 - I think it’s underpriced. But we understand the
economy is kind of tough right now, so we make it very easy at a very low entry point for
people. I’m not talking about knocking off $3. I’m talking hundreds and thousands of
dollars off on the deeply in-depth materials. You will see I did meet them half-way, our
Mktg. guys, and the price-points all end in 7’s. I’m open-minded, to a point. We make it
very easy, at a very low entry point for people to get in, and to get meaningfully started
right now, today, this very minute. Nobody else in the industry, who’s speaking to
perspective Intermediaries have these types of aces to put up your sleeves.

This is all the videos of us, putting it together, I mean, there’s just more content here, a
lot of content. The workshops, (I don’t like putting them on.) The reason I don’t like
putting them on is because they take a lot of our time away from making everyone
money. They take a lot of the staff’s time. They’re expensive. OK, we want informed,
learning, intermediaries. We do, alignment of interest, remember? The reason I become
concerned when a workshop is coming up is that we don’t have outside speakers
coming in. There I said it. No outside speakers it’s just me, talking, and talking for 2, 3, 4
days in a row. And it gets tiring, it gets tiring.

It’s tiring, I mean, by the end of the 4th day, my back is hurting and everything else, if
you want to get involved in this; it’s the Arbitrager Membership level. You’re going to go
to HousingAlerts.net/Money to get signed up with that. The manuals I put together are

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very easy. They are very easy for you to understand and reference. I want to make sure that people are getting the most value and nothing is in their way to for them to start taking action today. This is the arbitrager membership level here.

Are you asking, “How do I make money in crossing the trade?” “How does this work? I don’t really understand it.” Here you go: the average pool size, again a $5 million dollar pool, a 1% spread on that is $50,000 dollars, if you’re aggressive, you get a point and a half, that’s $75,000. Really you should be able to do these things in your underwear. Next to your hot water heater in your basement if you felt like it for some reason, okay? (If you do, then don’t tell us you’re doing it.)

The point I’m making here is you could do that, get deals and cross trades so easily you could do it anywhere you want, dressed (or not) any way you want. I’m not saying it’s a bad. I am saying the point is you’ll have a digital business store-front, which we provide to you, which gives you all the credibility that you need. That’s important here. Everybody today is remote. Everybody works remotely from all sorts of angles and pores of the planet.

The deal is, you send us pools, and you send us in. You have to prepare them accordingly and this is a whole different skill-set than commercial. But we’re throwing it in anyway because I want people to be more of a generalist than a specialist with this. You never know what’s going to be thrown at you. If you’re talking to a bank that you found on Linked-In and he says he has a pool; then you should have some sort of knowledge base about that, don’t you think?

If you’re getting in the driver’s seat, don’t you think that you should know how to change a tire? Wouldn’t it be even better if you knew how to change the alternator? Just in case. (Although, I’m a bad person to say that, this is being written from a guy who’s never owned a car until he was heading towards 35.)
So, you send us these tools and qualify them for a bit, we’ve actually had some intermediaries take Asset Spring and clear, as a result of a trade. They say, “Well…” they’re looking at their checking account and then say, “I don’t really need the cash right now, but I’d love to have a rental property.” Sure, OK, we reply, “Here you go, here’s a junker. We’re only paying five grand for it. Well give it to you for free. - As part of your incentives. And after its repair, it’s probably going to be worth about $40,000 to $50,000 thousand dollars. Okay. Great! - Why not have it?” Instantly, I add $40,000 to your net worth

Let’s take Karen Morrison; she’s one of the fanatic alumni. My joke is that a runaway nun never runs far from the convent. She’s gone out, made money, gone quiet and then comes back again. I’ve got a picture of her where she’s holding what she closed. There’s a tombstone we put together, and in our publications, to show and give credit, after we pay you. She made $10,000 and probably one of the most difficult loan pools we have ever had to close. It was a bunch of plots, residential plots in Georgia, if I remember correctly.

She is so able, so able to get a lot of stuff done. And she has confidence, she’s confident. She knows what she’s doing and she’s making money, and it’s great. Again, this is the arbitrager membership level, you go to HousingAlerts.net/Money. If you want to ask questions and chat you go to 888-473-6587 toll-free.

And so you are getting all this, you get a 172 page info graphic manual this is great for the visual learners, 18 hours of edited content recorded live. We record these digitally. Why? - Because we are always adding to it. Always, always adding to it, case studies and stuff like that. What’s really cool is that it really adds up in the fund-raising fundamentals. Tried-and –true techniques as well as tweaking and always looking for the best way, A “we should do this or we should do that,” type of thing. It’s all very fluid and very timely.
We add at least a couple every month. It's a vast library of materials, all at your disposal. Students and Intermediaries love it, and they are getting a lot from it. Remember don’t be overwhelmed by that. Just go through the paces, following the order of the training, and then you will be fine. A lot of people listen to these things when they are working out at the gym. Enrich your body at the same time as your mind, and soon after, your pocketbooks too. Stacking of activities, I think that’s a great idea.

We've gone over how to trade these asset pools with none of your own money or credit. How to get free clear assets that are overlooked or not wanted. There are some students that know people that have second mortgages. And we love second mortgages. They're good for us. Now, it's true not a lot of people like to buy them. But sometimes, we give away some second mortgages that are in default; for free. As part of the incentive for the students who actually want to do this. And what they’ll do with them is they follow our strategies for rehabilitating these. Even if they get it for free, and they collect 5 or 10 cents of a dollar, what is the return on their investment on that? Infinite! - A literal infinite ROI.

And we give you a full doc set; for crossing trades and agreements, sell spreadsheets, all that stuff that’s needed there. We also have an arbitrager bonus, which is a $2,000,000 dollar proof of funds, put in your name or your company’s name. You are going to need that for credibility, it’s very important. Value on that is $1,497.

This is really where you’d want to be at. But, I’ve got to say this, it’s not for the weak of heart. This is the private equity here, and this is an elite level comprehensive real estate capital raising system. This is where you get to be “Mitt Romney Money”. It’s such a cliché today to say it that way, but it’s as accurate as it is a short-hand description.

That is, people understand right away, they comprehend that he’s a Wall Street Investor, very successful, he invested on some real estate, but mostly companies, and he was able to raise money around it. And this is where, if you really want to be a
grown-up, and really want to impress people with your knowledge of the industry, and how to raise capital, and you think that you are going to be raising capital, and you see that this is an opportunity coming down the pipeline; then this is exactly where you need to be.

I’m leveraging my intellectual capital, every kind, in a few different ways. At one point, we were pitching a deal where we were actually doing a raise. We didn’t go through with it, (because banking regulation changed), but were in the midst of pitching a deal to talk about how to re-capitalize banks and buy banks. Really!

What we were doing, we were going to be buying preferred equity stakes and some of the banks. That’s one way how I leverage my intellectual capital. Now, this is what we talked about, a lot of times that I know of. You’ve maybe heard this before, if you’ve gone to a grown-up conference recently.

Maybe you’ve been to the other kind, where you’re at a conference, where there were a lot of rehabbers, who probably didn’t understand this. But they were still trying to impress you. And they were using all these terms like ‘math and ticket’ and ‘sponsor and 30’ and ‘after and 8’. Or, “promote and pref”, which everybody screws up, they always screw up “promote and pref”. This knowledge, your intellectual capital, is going to really separate you. Separate you as being the elder statesmen, putting distance between you and being seen as a novice.

This is where we really learn the fundamentals. It’s here where you’ll get your Masters’ Degree in fund raising. Look, a lot of people are saying that they want to start a fund. But they have no idea what a fund is, okay. You do not start a fund to buy an apartment building; you need a joint venture partner. We went over that in the first section. In the second section we talked about fund structures. What’s the value on this? We actually had a ‘Round Table’ for a year that people would pay $6,500 just to learn this. And it was a very elite group, and we had to qualify the people to allow them in. As gruff as
this may sound, it’s fact: Just because your credit card has 16 digits, does not necessarily mean I want to spend a lot of time with you. Makes sense, right?

Actually, even if you had seven-figures, some people I just wouldn’t want to work with. I’m choosy right now, in this point of my life, of who I want to work with. When you go to these conferences and you’re armed with this information, don’t you think that you are going to be a little more confident? Yes.

Do you think people take you seriously? Yes.

This is what the Private Equteer System consists of: You get the manual (it’s a 56 page info-graphic manual) you have 8 hours of video, delivered digitally. Deal structuring strategies; how to structure yourself in the deals with no money or credit, how to take passive stakes, how to place, season your self-directed IRA (aka your “Mitt Romney Money”) complete suite of easy to reference fund-raising blue prints. The value on that is $6,500 dollars. If you’re interested in saving over $5,000 on the asking price, go to HousingAlerts.net/Money. We’re making this special offer to you as a reader of this book.

We’re also going to put in the fund-raising formula, and the fund-raising fundamentals work book. Plus, there is how you put together a pitch deck, a deck; we call it a deck, or a slide deck. There are also a lot of templates there for you to use. There are some ones for you to plagiarize. Just use them straight as-is. We’re Ok with that (and actually want you to do it). We also have the client work book. The client workbook is for, say when you find someone, that someone wants to raise money, (we have a lot of students who are doing this). You’re going to get a $15,000 retainer fee, and you’re going to get ‘splits’ in the deal, and that promote, and that Hope Certificate that’s going to be put into your self-directed IRA. Isn’t that great?

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So, you have the coveted pitch-book swipe file library for you to plagiarize. A lot of the deal-makers, writing is not their forte’. (OK, putting it plainly: a lot of them aren’t really good at writing.) We have an info-graphic that shows you how to find talent that actually was making $300,000 a year, who are out of work, displaced Wall Street people, who will do this for you for about $900 bucks. Think about this, this is important here; if you’re making $15 Grand ($15,000), pay the $900 bucks for someone to put together a deck for you. When you submit it to me, I will then actually critique it with my own careful eye.

Some people this is all they’re doing. They go no farther. This is what people are doing: there is a whole list of “money funds from group” from a site. We have a student who’s going out there, and what he’s doing is he’s ‘sacking’, he’s approaching these people and saying, “Hey, you don’t have enough capital. Nobody has enough capital. Why don’t I just go out there and help you raise capital? Here’s my number. And here’s a list of my services. Here’s how we’re going to do deals.”
I mean, talk about shooting fish in the barrel! It doesn’t get any easier than that. The problem is that a lot of people today, who are real estate investors, have been doing it the blue-collar way. And that’s because it’s a gateway drug, the blue-collar hard way. One of my students said to me, (I’m not going to repeat it exactly here) but he told me, he has a mother-in-law who is “a battle axe” and she said, making fun of him, “What are you doing, again? You steal homes from people who can’t afford them! - Trying to profit from widows and orphans and foreclosures.”

You’ll be able to keep your dignity, keep your pride, and have a little prestige. Now you can say, “Well, I’m an Arbitrager,” or “I’m sort of a Private Equiteer. What I do is; I raise money of ground real estate deals.” That sure sounds a little bit more prestigious than saying, “I buy homes and to fix them and flip them and everything. And dealing with contractors,” (You can’t pay me enough to deal with contractors.) There are problems, and problems of which are not yours, and that’s a big deal. You say, “I’m a real estate banker.” or “I’m a real estate Intermediary.” That is a lot better, but as long as you know what you’re doing. You have to know what you’re doing.

There is one of ours, Roger. He sends his decks over all the time for me to look at. Roger has made $10,000 on his latest right now. On this one, $10,000, even though he picked someone whom he shouldn’t have picked, he found off of eLance. But the point of the matter is; now he has found someone to go to, and I think he has three decks in process right now. He has collected a lot of money of course, to do that.
On the first one, he wasn't feeling that confident. I think he only got $5,000. The next one he got $10,000. I told him go for 15, ($15,000). I don’t know why he didn’t go for $15 G’s, but he uses our agreement, so he doesn’t get screwed and locks his incentives. It essentially says, “Hey, look. I have an equity stake in this. Being a formed operating company, and I’m getting a percentage of the profits.” Okay?

So, this is how it’s done today. It’s how it starts. It’s also how it’s always been done. I was on a yacht with someone, going from New York to Baltimore, and the person who owned it is the son of the person who financed all the casinos in Las Vegas - All of them. All of them, because nobody would lend money to them and he was brave enough. And he was brave because he was confident with his knowledge. He leveraged his Intellectual Capital.

Isn’t that great? He was solid though because no financier, very few financiers; have ever gone broke.

The point is: If you think financial unfamiliarity is expensive? Try ignorance. And I think we’re starting to see that right now. People are just getting poorer and poorer. There’s a movie that came out (that my wife made me watch) it was called “World War Z” with Brad Pitt. In it his character said, he said, “If you’re not moving; you’re dead.” And of course, in the context of that movie, it makes sense. But today, outside the movie, it’s good advice and even more importance. If you’re not doing anything right now, you are definitely slipping and sliding. You’re going to be destitute. That’s just the way it is.

So I think information, is the most valuable commodity today. This is something from the Atlantic which I clipped out: What’s really going on with Mitt Romney’s 102 million dollar IRA? Let me tell you something, Ladies and Gentlemen, my reasonable readers, there’s a lot of people that have a lot of money in their IRA’s, and they did it through deal structuring like this. It’s not anything new. It’s not anything new. You’d be surprised how many people have seven-figures in their IRA, and their self-directed IRA.
Boiling it all down: Success in real estate is directly correlated to how much intellectual capital you have. Think about the confidence you would have, if you’re being able to see an opportunity, and have the confidence to construct a solution around it. It will make you wealthier beyond your wildest dreams. It really will; the confidence to be able to structure something like that, and raise some money for it. Or to place it with a guy like me. Or to cross a trade with someone else, like with people I’ve shown you before. That’s what wealthy people do; and how they get wealthier.

Right now, I’m working with an intermediary on tax lanes. One thing I can certainly tell you right now, the tax lane business is nothing like you would expect it to be. It’s nothing like what’s told to you on late night TV. But I’ve been able to leverage my relationship on Wall Street. To put together some sort of a smaller fund, and that’s going to be the next pet project.

Okay. So, here we go, three checks, we want you to earn these three (3) checks. This is what you should be looking at in every commercial deal. We’re here to help you. You will be getting support you need in order to do this. We have a reputation for doing that. We look at the deals. Some of the deals you send over, you’re not going to get it. You might not like what I have to say. But you’re going to learn from it. And that’s the most important part. Remember we’re all adults here. Were all grown-ups, we’re all big men and women aren’t we? And there’s no reason for you not to get involved because we have a very low barrier to entry for people to get into right now. This opportunity, and your future is yours to lose, it really is.

We have the Banker program here, where you can sign up for $97 dollars per month. I’m not going to go over everything here. Go see all that you get for yourself; go to HousingAlerts.net/Money, $97 bucks a month. For less than a dinner for two, you can learn a tremendous amount of opportunity. And education as it relates to being financially intelligent. And you’re going to be much smarter than the guys sitting next to you in traffic, I can tell you that.

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You are going to be listening to all these things we’ve prepared for you, and you’re going to understand, beyond the shadow of the doubt, that if you don’t comprehend how money works, you’re going to get pushed around.

You’re not the type to get pushed around are you? No, you’re not - Definitely not anymore.

Neither are the people here. We have the Arbitrager, The Banker at $97 bucks a month. You can stay on for as long as you want, you can quit at any time. The Banker is programmed; it’s sort of like the gateway drug. What we regularly see is, people will usually say, “Well, I’m paying 3 months at $97 each, I might as well get a year for $597. This way I get the whole Arbitrager and I’ll be able to submit bulk REO deals.” That’s really a value deal, that’s like super-sizing it, if you will, if you go to McDonalds. You can ask that gentleman in the Bloomberg, “Super-size it!”

The one that is really the most popular right now, far and away, is the Private Equiteer. Because people are seeing the opportunity, it’s palpable. When you go to your barbecues, when you’re spending the holidays with your friends and family, when you’re speaking to your friend from the golf course, church, or whatever your social circles are; ask them what they think about the investment. What do they think about what’s going on in the market right now. And you’re going to use this presentation to sort of build a little case.

We have a lot of people that start here and go there; from the Banker on over to the Private Equiteer. And so we have only limited availability for people, limited bandwidth for people for support. We grow solidly and progressively. We take on groups of 20 at each level. We hit 20 Bankers, that’s it. We hit 20 Arbitragers, that’s it.

We stop around 20 at any given time, because we don’t want to stress out the team too much in New York. We want to be here for you, to properly guide you and propel your
progress effectively. The point of the matter here, ask “Where do you think you want to be? Where do you think the opportunity is today? Do you think the banks are facing a lot trouble?” I do. I think the banks are in a lot of trouble. I don’t believe in this ‘housing recovery’. I don’t believe in it at all. I just don’t believe that people who are making $60,000 a year are able to get a $900K dollar home. It just doesn’t make sense. I don’t think that’s sustainable. I think that banks are having some problems. I also think that there are 16 Trillion reasons why I would want to become a Private Equiteer.

‘Private Equiteer’ – I’d like to look at that. We could look at it like this: Are people doing this overseas? You bet your ass they are! Canadians have always been good friends of ours, the Australians, the New Zealanders too. Chinese now are coming up. We have never even thought of marketing to them, let alone done so. Yet, here they are. South Korean, of course the British, new since last year are the Brazilians and the Russians.

Why do you think Brazilians, Russians and Chinese would want to learn about raising capital?

Because it’s America, there’s something about America. There are many sayings floating around about America. What do all these sayings from all over the globe have in common? America is still a safe place for rich people to invest. That is it.

I’m trying to not sound like a John Cougar Mellencamp song, Okay. There’s a reason for it. There’s a reason why all the new condos in Miami are flying off the shelf at $30M, $40M, $50M, millions of dollars. It’s because America is seen as being a safe place for the rich to invest.

If you have any doubt of that, I want you to do some research. (I’ve done it already), but don’t you take my word for it. Do research. Find out what the holdings are of every congressional law maker, every senator, find out what they actually own. And I’ll tell you what they do own, commercial real estate, and businesses. Do you think that they’re

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going to change the laws against them? Of course not, they’re giving themselves waivers, and special programs, if anything.

They’re paying themselves when they’re on their vacations which last 6 months of the year. Do you really think that they’re going to change the laws as it relates to being able to raise money around real estate? Oh, please. I don’t think so. I know so. That’s the way it is.

That’s the way it works, that’s the way it works. If you look at any senator, what they own, it’s all in real estate and businesses, that’s it. That you look at Senator McCain’s wife, (she’s very wealthy) she actually owns a lot of single family homes in Kansas City. I don’t know if she still does, but she did.

So, this is what the uber-successful intermediaries are doing. We give the term sheet, they hook them, and we reel them in. And we help with this, and this is what I call the “Cub Funds”. Cub Funds are basically tiger management and go out and start their own fund. That’s the same thing that’s happening right now, we’re helping people get started. We call them Dandrew Cub Funds. They’ll be successful. They’ll be successful because they’ll be doing it with me breathing down their necks. I’ll be there, making sure the train doesn’t go off the tracks.

Now, what they’re doing, they’re having a lot of fun. They’re submitting deals and they are people who put themselves in a position of prominence, because of intellectual capital. I’d like to think it’s obvious to you now that you’re looking for it. Absolutely, people who start right away, we are going to provide the Linked-In info-graph, so take action. And this is great because it comes over as a PDF and you just click on it. That’s it. If you can point-and-click, you can mark it. Alright, it’s for people who are not that familiar with the interwebs, some of the older people or technophobes. This is easy. You can do this.
You can do this. You can point-and-click. Or get someone to do it for you. They can do this for you. Take advantage of this. It doesn’t matter if you’re a newbie, or an experienced investor, we have 3 different programs, for as little as $97 bucks. You can get a load of information, and hit the ground running. Or you can actually quit what you’re doing, apply to business school, and if you get in, graduate, and try to get into an investment bank.

There’s an article saying that it is three times easier to get into Harvard than it was at Goldman Sachs. Going that route, the odds are stacked against you. My advice: Pay the 97 bucks and get smart. If you don’t have a lot of money, that’s your gateway in, that’s fine, I understand that. Maybe you don’t feel you understand everything here. Or will understand as you go along. If you don’t know if this is for you; that’s fine, you can cancel anytime.

For $597, you’re going to get a whole years’ worth, you’re going to be grandfathered in for a year, you don’t have to worry about any rate increases that are going to happen at any point. Anyone that orders referred from this book; is grandfathered in, insulated from any future rate increases. Know that we will be increasing the rates, I will tell you that. But you’ll be grandfathered in for a year, Private Equiteer, you get a lifetime of subscription to AskDandrew™. I think that’s very powerful, okay?

If you were to go to a convention or seminar, you’d have to pay for a hotel, flights, lodging, rental cars, foods, meals, and you’re going to be hit over the head with high pressure sales. Here it is, it’s a liquor store. You want it? We got it, it works. And it’s not really going to cost you that much either.

You’re going to go to HousingAlerts.net/Money right now to sign up. For those of you who want to talk to someone, I understand that you need a little more handholding, some coddling. Go for it. You’re going to call 888-473-6587 and you’re going to understand. Hey, we’re here to help. If it’s not for you; that’s fine, that’s fine. It’s okay. But I’m giving you the opportunity to take advantage of the Perfect Storm that’s brewing right now. It’s already started.

www.HousingAlerts.net/Money
You are going to have the confidence to be successful. You are going to have the support to create wealth. Here, if you are looking for your next mortgage payment, don’t sign up with us, this is not a get rich quick. It takes an average of about a month to close a deal. I want to make sure I’m up-front and clear with you on that. It’s important for you to understand. This is for long-term wealth creation here and you’re going to be getting a lot of great incentives out of this, too.

The total retail value on this is $25,000; this is just what people have paid to get access of this information. To me, I had to put in a lot of blood, sweat and tears not to mention going to expensive schools. That’s fine, if I’m not for you, I totally understand that.

But if you really want to learn something unique, that nobody else is presenting to you, I think this is the most important thing that you can do right now to further your financial education, your career and your livelihood.

I want to end with a final quote, here. I do a lot of reading, and the quote is not by any dead rock star or anything like that. It’s by someone who I respect, his name is Jim Rogers, he writes a lot of books, and you see him in Bloomberg once in a while. He really puts it in perspective here.

"If you ask a thousand people if they want to get rich, every single one of them except the poet and the mystic will say ‘yes’. When you explain to them what is needed to become rich, maybe 600 of that initial 998 will say, “No problem! I can do that.” But when push comes to shove, and the need to sacrifice everything else in their lives, having a spouse and children, or a social life, maybe every pleasure, to meet their goals, almost all of them, too, will fall away. Only about 6 of the original thousand will continue on the hard path. Most of us don’t have the discipline to stay focused on a single goal, for 5, 10, 20 years, giving up everything to bring it off. But that’s what’s necessary to become an Olympic champion, a world class surgeon, or a Kirov ballerina. Even then, such goals take complete dedication.” -Jim Rogers.

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I’m not asking you to sacrifice your personal life, your children or anything like that, I’ve already done that for you. I didn’t get married until I was 33. I didn’t. It was the first time, for both of us. And I’m not saying that that’s right or wrong; or anything like that. But what I am telling you is, that you can leverage off my experience, off of our experience, the principles here, to really learn this business, the way you should.

You don’t have to do this anymore; we’ve put it all together for you. So you don’t have to sacrifice everything – ‘Eating-only-ramen-noodles’ kind of sacrificing, in order for you to do this. But, society rewards people who are heroes. And it’s what you do during your down times, which makes the up times so much more pleasant, and so much more. It really makes it a success and a victory, it really does.

You don’t have to do it that way; we’ve made it easier for you; way easier. But you have to stay focused, stay away from the TV. Stay away from the Facebook’s, the Twitter’s… Stay away from the social media bullshit. If it begins to control your life, you’re worried about what other people think of you, do not sign up. If you’re easily controlled by other people, and what they think of you, you’ve already become prisoner of them, you already have.

I’m giving you the opportunity to be able to learn a skill set many people don’t understand and because they don’t understand it, they’re now flipping burgers, quite frankly, we’ve seen it.

If you have any questions feel free to call us at 888-473-6587 toll-free. We have people standing by, if it’s busy, I don’t know, whose phone is busy anymore, it’ll just ring. But if it goes to voicemail, go to HousingAlerts.net/Money - We want you signed up.

I am passionate about this business. Passionate about where I think the future of this country, where this world is going, and I really think that you need to be equipped with the right financial skills set. And that’s it. Take care!

www.HousingAlerts.net/Money
About Dandrew Media

Dandrew Media offers many strategies for real estate investors to grow their businesses and careers through fundraising, capital formation and capital placement strategies.

You’ll discover closely held institutional secrets how to participate in larger bigger ticket deal that you probably wouldn’t be able to get into by yourself. These strategies are revealed every month to our AskDandrew Members and through offline and online resources so you can get started immediately.

For many real estate investors that have been shut out of the market due to their inability to get bank financing, we offer the opportunity to get the strategies you need to have the real estate portfolio and / or financing businesses you dream of.

Leverage our intellectual and capital resources

- Learn how to raise capital thoughtfully, meaningfully, and credibly.
- Build a seven-figure portfolio from zero by thinking like a bank, not like a landlord
- Properly source and qualify meaningful deal flow
- Create extreme competitive advantages that will attract institutional, established investors to co-invest alongside you and build a large portfolio
- Cross real estate trades with qualified institutional buyers that will put money in your pocket now
- Leverage your new intellectual capital to gain notoriety in your niche or market and participate in more deals as a sponsor
- Discover how to remove all obstacles to meaningful and sustainable wealth creation