

Creating Massive Wealth for New & Seasoned Real Estate Investors, Brokers and Lenders Since 2003!

The Circle of Wealth Advocate

January 2017

A message from Lee: Stack Your Inventory



Winter temperatures are here and its harder to get those outside rehab jobs completed because of weather challenges. Here in the Northwest the ground freezes, so digging for egress windows is impossible. Snow, sleet and sub freezing temperatures also make it difficult to work on any siding, paint or landscaping. However, we never let these challenges become an excuse to hibernate! Why? Because this is the ideal time to **stack inventory**.

Obtaining foreclosed homes is critical right now. It's important to get the maximum number of houses that you can work on through the winter. The auctions are filled with people trying to stock up for the winter, so drive by abandoned homes and contact the owner. No matter how you do it, just make sure you're making deals!

This is the ideal time to get the home's interior completed. Contractors are slow during the fall and winter months. Use your negotiation skills to get good pricing to complete interior projects. Then as soon as it warms up in the early spring, finish up the outside projects. Make sure to get those homes listed by March 1st, when home buyers are historically ready to purchase!

"Don't let this be another excuse for you to hibernate!

*This is the ideal time for you to **stack your inventory!**"*

- Lee Arnold



Tuesday morning Staff Huddles are attended by everyone, even students and guests.

Recent Staff Huddle Theme: How to Become an Accredited Investor

- \$1 million in investible worth (Excluding primary residence)
- \$1/2 million income every year (on tax returns) as an individual
- OR \$350K filing jointly



The Fiacco Five:

**Myra holding Lucci.
Nick holding Lola
and Phoebe**

Another Success for Peter and Maria An

For Peter and Maria An the property at 2 Palmer Street in Newton, NJ is just another rehab success story. The An's have been rehabbing homes for 4 years, and this latest project came with its challenges. "The foundation was much worse than we had expected." stated Peter. "We found that the grading wasn't right and that rain was causing serious erosion." Peter explained that his project manager worked out a solution that came in under the \$15,000 budget.

Peter and Maria have worked with the same general contractor for the past two years. "He is the one who found the property at Palmer. He lives a block away and actually negotiated with the previous owner to sell." Peter went on to say that working with a contractor you can trust is the key to a successful flip. "We give a 15% incentive to finish on time and within budget. It's in his interest to finish fast".

Recent graduates of the Master Rehabber program, Peter and Maria had their "aha moment" during the staging presentation. "We had used a professional stager on previous flips, but it was very expensive." The Master Rehabber program gave the An's the confidence to stage the property on their own. "Maria worked with our realtor and had a lot of fun in the process. The staging turned the house into a home, it really helped".

Similar to their other flips, the Palmer property took about 3 months to complete. The loan originated in August and was paid off in November. "We hope to have another property by the end of the year." Peter explained that they are looking at 10 potential properties trying to find the right one.



Staging turns a house into a home!

Employee Spotlight Featuring: Nick Fiacco

Nick is a busy man, and trying to nail him down for an interview was not an easy task. But I'm not a quitter! I finally sat down with Nick for a few moments, and it was well worth the chase. Here are some of the highlights:

Job Title: Director of Business & Inside Sales Manager.

If you could choose your title: Mr. Helper

City of Residence: Coeur d'Alene. Came from all over the country, starting in Austin, TX. My wife's family is from Montana, and we own a condo in White Fish.

Inhabitants at your residence: My wife Myra, Phoebe (5), Lola (3) and Lucci (8 months)

What do you like best about working here: The people. Everybody in this building. I love our students.

Best job you've had: Being a Marine. It was the foundation for the rest of my life from a leadership, quality and traits principle.

Worst job you've had: My first job. I helped a lady make soap. I had to clean up after it was made. I didn't like the smell, and it was a greasy grimy process

Life motto: "Find Ways to Win" and "Be Kinder than Necessary".

What do you fear most: A car accident. Been in 3 major car accidents, all rollover accidents. My dad was killed in a car accident when I was 3. My step dad was killed in a car accident. Thankful I live in CdA, drive 25 mph to work. Worst that can happen is a fender bender.

Favorite pastime: Playing Trap with my daughters. Snowboarding, all outdoor activities. Sky diving, yes I am a thrill seeker

3 Highlights of your life: Marriage. Kids. Marines.

Pet Peeves: People who miss work. My daughter Lola crying. And what I do to other people, I have a habit of taking people's pens. Unintentionally.

Favorite song: *Where the Streets Have No Name* by U2; *Cheek to Cheek* by Frank Sinatra; & *Parent's Just Don't Understand* by Will Smith

Favorite Movie: *What's Eating Gilbert Grape* and *Star Wars* (old school fan)

Favorite Book: *Rich Dad, Poor Dad* by Robert Kiyosaki

What do you want to do before you die: Tough question, and an emotional one. Spend as much time with family in New York as possible. Living life to its fullest and never let obstacles stand in the way of our dreams.

Fund II Pays Off Again!

"Private Equity Fund II earns record amounts for second quarter in a row", says Jaclyn Olsen, Secured Investment Corp's CFO. "We are excited to have another successful quarter for the fund, and pay out our investors a healthy return." Olsen reported that Fund II returned 15% two quarters in a row, and that she forecasts healthy returns for Q4.

Olsen explained that there is always a risk when you are investing in rehabbed homes, but with our certi-



Successful flip purchased on the fund.

fied system we bring that risk down and it pays off.

Heather Dreves, the fund manager, has been working to increase the fund to reach \$5 million by the close of 2016. Dreves explains that the additional investments will make the fund stronger and will result in more investing opportunities. "There are so many homes out there that we would like to purchase and rehab, we just need to have the funds available to get them. And as our record show, this is a money-making opportunity".



Students hard at work trashing out the property at the Senior Master Rehabber workshop.

Plan Your Work, Work Your Plan

"The best training you have ever put on! It was exceptional." stated Lisa Walker, an attendee of the recent Senior Master Rehabber workshop that took place in at our Corporate Office.

The Senior Master Rehabber is a 4-day, hands-on workshop that teaches the nitty gritty of home rehabbing and is designed to be the ultimate boot camp experience. This intense workshop focuses on how to obtain a foreclosed home, gain financing, develop a scope of work, create a budget, hire contractors, build a timeline, list the property, as well as stage, photograph, and market the home.

Day one of the workshop is spent learning the financial portion of the rehab. Budgeting and gathering the proper paperwork for financing are key lessons. Students meet with loan officers to gain knowledge on how to easily finance a rehab project.

Day two includes an initial visit to a job site that COGO is currently rehabbing. Developing a plan of action, timeline and understanding the home's needs are part of the day's lessons.

Students, like Walker, work side-by-side with construction crews on day three. Professional contractors from HVAC, plumbing, and electrical walk students through a scope of work, detailing the job and the expected costs. The contractors also give students information on how to hire a contractor, and what questions to ask. Students help trash out a project, using sledgehammers and wearing protective gear.

"The highlight of the day was driving the back-hoe!" exclaimed Kent McKee, who attended the program with his wife Terry. This excitement was shared by the majority of the rehab students. The McKee's traveled from Arkansas to attend the workshop. "It was well worth the investment. We learned so much, more than we had imagined." Terry stated.

The last day focuses on marketing and listing the property after the rehab has been completed. Students have the opportunity to stage an empty rehab home for a professional photographer. By the completion of the program students create a virtual tour, flyer, and successfully list a home.

Interested in attending? Call Wendy at 800-341-9918 for more information on the Next Senior Master Rehabber event in April 2017!

Why Call **COGO**?

- **Quick Cash: Make \$15,000 to \$50,000 on one deal**
- **No credit check**
- **No qualifying**
- **Bigger Profit in a shorter period of time**
- **Still earn commissions**
- **Become your own best customer as a real estate agent, listing & selling your own properties & representing yourself on your own purchases**



800-341-9918

The Lee Arnold System of Real Estate Investing

Mark the Date!

Call 800-341-9918 to reserve a seat

- *Funding Tour*
Dallas
January 27-29
- *Lee's Inner Circle*
Corporate Office
February 1-3
- *Broker Certification*
Atlanta
February 9-12
- *Funding Tour*
San Antonio
February 17-19
- *Rehab Certification*
Dallas
February 24-26

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