Rule of 56

The #1 Way to Measure Your Success

BY LEE ARNOLD

The Rule of 56

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THE Lee Arnold SYSTEM OF REAL ESTATE INVESTING

Lee's desire to reach the heights of financial freedom has allowed him to develop unique investing methods and innovative strategies that he teaches to other real estate investors throughout the nation.

Through hard work, in-depth research, and years of full time investing, Lee truly has found the golden key to unlock the door to financial success.

Lee has generated millions of dollars in personal wealth and is known as one of the foremost experts in the foreclosure and short sale industry, as well as the private money market.

His goal is to help other investors discover the same success he has found and experience the joy of a truly rewarding career.

Note from the CEO

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

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

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

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

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

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

This allowed everyone, on every side, to win!

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

We hope you're one of them!

Lee Arnold

CEO Of Secured Investment Corp

Why the *Rule of 56*

As a society, we like things spelled out for us. We need the A to Z, the 1, 2, 3, or the rules of engagement. And although we like to think we're free spirits, able to conquer the world on our own, we secretly prefer a road map to steer us along the journey. This is especially true when it comes to business.

Over the years of real estate investing, I have found that nothing works better or faster than the *Rule of 56*. This self-prescribed formula is the exact method I have successfully used over the tenure of my investing career. It's the number one thing that keeps my phone ringing off the hook and my deal pipeline stacked with one profitable property after another.

Now, after many requests and countless demands from my clients and students, I have finally created a book to share this proprietary, time-tested and investor-approved formula.

If you follow the *Rule of 56* correctly and you're keeping track of the letters that are being sent, the phone calls that are being made, and the offers that are being written, you're going to see your profits rising up and to the right.

We're so sure of this that we actually give our Inner Circle students a $100,000 year income commitment. We know that if you stick to the *Rule of 56* for 52 straight weeks, you will generate over $100,000 in net profit. I have yet to see an investor follow this formula to a 'T' and not make over $100,000.

So if it's that fool proof, and we're willing to make that kind of commitment, wouldn't you like to implement it too? Join me as I give you the road map of success and the tools to help you realize your fullest potential in real estate investing.

The *Rule of 56* Only Works if YOU Do

The *Rule of 56* is not a diet, you can't cheat the system. Either you do it and reap the extreme profit potentials or you don't and you continue living paycheck to paycheck.

When put into motion, the *Rule of 56* works as a qualified lead generator and offer-writing machine. If you continue to fine tune and keep the system up and running, you'll have more leads, more calls, and more offers than you could ever imagine possible.

A Word On Consistency

In marketing and business, nothing will replace the importance of being consistent.

Too many people begin the *Rule of 56* with the best intentions and then quit because they either don't see immediate results or when they do, they see too much traffic and become overwhelmed by the amount of prospects and subsequent work.

consistency

I've seen both happen. I've seen investors who throw up their hands after the first few mailings and claim that the *Rule of 56* does not work. They don't understand how the momentum of marketing actually works and they don't give it enough time to pick up and grow by consistently mailing to the same prospects.

Please understand that in the early stages of marketing things often start off slowly; however, if you consistently touch the same prospects, you will begin to build recognition and growth. Once you have been mailing regularly, you will begin generating leads and phone calls on a routine basis. You may even find someone calling you about a house they want to sell from a mailing you did five months ago or you may get a phone call from someone who does not want to sell the subject property of your mailing, but who has another property they are interested in getting rid of (I have this happen to me regularly). You never know what reaction you'll get, so keep mailing.

On the other hand, I've also seen people who have initially been consistent in their mailing campaigns and have hit critical mass. Suddenly their phone won't stop ringing and they find they are inundated with responses. The workload becomes so intense, they shut down their marketing operations altogether to focus on the leads at hand. Unfortunately, they will shortly discover that their pipeline is stunted and they have to start all over again.

To be consistent you need to design a marketing budget and your set KPIs (Key Performance Indicators). We've made this easy for you by giving you the number of pieces you should mail every week and we even give you the pieces you should mail within this guide. We tell you what to do and how to do it.

There is no guess work and therefore there should be no excuses.

By being consistent you will "touch" each prospect a certain amount of times and by doing so create brand awareness. This is the best and only way to stay ahead of your competition in real estate investing.

Some Tips Before You Begin...

What You Expect is What You Get

Your success is determined long before you get your first phone call or face-to-face appointment. You've positioned yourself for success long before you licked your first stamp and mailed your first sales letter. Your expectations have already destined you for success or failure.

When I interview sales people or agents, the one thing I look for, more than their years of experience, is whether or not they expect to succeed. It's not a question that I ask either. It's plainly visible in how they speak, how they carry themselves, even in how they sit across the desk from me. If they expect to get the job, if they expect to make the close, then they're automatically hired.

Where you place your attention and your expectations always sets the foundation for your future. If you think you're going to fail or you doubt the outcome of your efforts, then all your attention is going to go toward the obstacles, barriers, and the tedious aspects of owning and operating your own business. Your motivation will plummet. Your desire to be successful will wane. Basically you'll fail long before you even approach your first client.

However, if you anticipate the close, if you see it long before you get on the phone or arrange a meeting with your client, your attention will follow. You'll focus on the exciting parts of having your own business. You'll view the hurdles as steps to success. Your attention is on the ultimate goal.

So, before you pick up that phone or arrange your first meeting, begin with the certainty that you will succeed. You will help them get a loan, or you will help them out of their financial mess by buying their house. Regardless of the outcome, you decided it long before you started the process. In short, you expected success!

The Importance of Being Earnest: Follow Through

The easy part is getting excited about something. You get sold on a service or product, yet as time goes on, your excitement begins to lessen. You lose your drive and drop the ball. You didn't see the benefit (because you didn't use the product or work the program) and you don't want to blame yourself, so you blame the ineffectiveness or dysfunction of the product.

Have you ever done this? We're human. Most of us, myself included, have committed the sin of not following through on a project or program and then turned around and placed the blame somewhere else.

Unfortunately, not following through puts you on a slippery course of inaction. It becomes habitual and you'll find that reasoning yourself out of working at something is much easier than actually working at it. The problem, of course, is that in the end you have nothing to show for it.

Follow through is one of the most important practices in business. Sending out letters, putting ads on Craigslist, or tacking up flyers will mean nothing if you don't call back the responders. Getting the phone to ring is only part of the recipe to successful marketing. Following through to the close is the rest.

If you are on the fence, or you are finding that your drive or ambition is beginning to falter, remember that continual effort always turns into steady growth and wealth.

Step #1: Mail 25 Letters

No one knows that you exist unless you let them know you exist! This once-a-week exercise generates more interest and more leads than you could ever imagine. In fact, some clients are inundated and overwhelmed with calls (which is a good problem to have). Make sure you're pulling Non-Owner Occupied, Lis Pendens, Pre-NOD, Pre-Foreclosure, Notice of Default, and Out of State Owner lists and regularly mailing to them. Your energy and time will be rewarded.

Why Direct Mail?

Although direct mail is not necessarily the cheapest form of communication with a prospect, it continues to be one of the most powerful and effective ways to getting your message out while also building your list of motivated buyers and sellers. Direct mail can include postcards, letters, newsletters, and other marketing material, to target a particular audience. In all of my businesses, we use all the above.

Even though email tends to be an easier, cheaper, and faster mode of communication, it's not always best when it comes to open rate. Why? Well take a look at your email inbox right now. How many messages are waiting for you? Some people are able to keep their inbox at zero, but most of us have hundreds, even thousands of unopened emails... with more on the way. It's hard to stand out in that deafeningly loud of a crowd!

On the other hand, according to the United States Postal Service, 98 percent of people check the mailbox **EVERY** day. Not only that, a study by Epsilon, a global marketing company, showed that 77 percent of people sort through their physical mail as soon as they get it. That means you have a captive audience right off the bat! And if you design something personal, catchy, and memorable, you have a stronger chance of getting a favorable response, like a phone call right away.

Now imagine having that captive audience each time you send a marketing piece? If you do this the way we teach you, you'll be seen more often and build better brand recognition and credibility each time they see your piece among the other mail items they get each week.

Above and beyond a higher open rate, there is something personal about getting mail. Regardless of it being an antiquated marketing medium, many people enjoy the feeling of getting and opening mail, as opposed to seeing an email in their inbox. Also touching something with your hands helps you commit it to memory.

So, since you have a captive audience excited to open your letter, why wouldn't you send a direct mail piece?

Building the Motivated List

Many people ask me, "How do I build my list? Do I need a webpage, a landing page, a Google ad, a Customer Relationship Management software, etc???" Often, the reason people don't have lists and are not marketing to them is not because they don't want to. They simply allow the questions, the analysis, and subsequent paralysis to do the talking for them.

Getting a list is a lot less complicated than you may think and building your database is a lot easier than many of these marketing websites make it sound!

To close deals fast, investors should focus their efforts on four types of motivated sellers in real estate:

Out of State Owners: Many veteran landlords are burned out and ready to get out of the rental business, especially if they are trying to manage a property from another state. The burden of owning a property from afar often put a serious damper on their emotional attachment to their property and these motivated sellers represent a tremendous opportunity to find a great deal. There are a number of places to gain access to out-of-state landlord lists. In the next few pages, we'll actually give you step-by-step directions on where and how we pull these lists. You also have exclusive access to a video in your back office on how to pull these extremely motivated and profitable lists.

Expired Lists: A great way to find motivated-seller leads in real estate is through expired listings. This typically takes place when a listed property fails to sell and the listing agreement between a seller and agent officially ends, producing a highly advantageous situation for investors.

At the very least, expired listings represent motivated sellers who not only want to sell their home and can't, but homeowners skeptical of real estate agents.

Pre-foreclosures: Generally speaking, these homeowners are between 30 to 90 days late on their mortgage payments and on the cusp of going into foreclosure. As an investor, you want to reach these people before that occurs. Once a property goes into foreclosure, it becomes much more difficult to close a deal.

To target these types of motivated-seller leads, investors need to contact title companies in their area and to receive a pre-foreclosure list. Be aware that these lists are oftentimes out of date, requiring you to do your due diligence to make sure your mailing list is current.

Probates: Another lucrative opportunity to obtain motivated-seller leads is through probates and inherited properties. This legal process consists of transferring the legal title of a deceased person's property to the intended heirs — and more often than not, it's followed by the sale of the property.

Investors can access probate records by visiting their local probate court office, commonly referred as the circuit court, surrogate's court, or the orphans' court.

The List Must Match the Message

When it comes to direct mail marketing, the audience is just as important as the message and matching the two is paramount.

Often, because they simply want to cover their bases, new (or lazy) real estate investors will send the same message to all of their lists.

Although they may get some response, it will be a pittance in comparison to the response they would get if they had sent out a message that resonated with just a segment of their lists.

You wouldn't want to mail a pre-forclosure letter to a list that included all of the already mentioned lists—pre-foreclosures, probates, out-of-state owners, and rental owners. Sure, you may get a few bites, but more likely you'll at best confuse many people on your list, and at worst offend them. When marketing, the most important thing is to remember that a confused person will not buy, or in this case, call you regarding your services.

When gathering your list, be clear about your desired end result and make sure the message you craft matches the list you've purchased.

Where We Find Lists

Any business who wants to get their phone to ring uses a service like ListSource to acquire contacts. This is where your marketing begins. You must have contacts to market to. Through a service like ListSource you can target the contacts you want using a variety of criteria including geography, amount of mortgage indebtedness, property type, demographics, foreclosure status and many other options.

You can work with list brokers to acquire similar lists of contacts but why? Why go through a middle man who dictates to you the criteria for your contact search? Why would you want a list that is dated and has been sold to your competition already? By going directly to ListSource you are in control. You get to dictate the parameters of your search. You pay for only what you want and you are guaranteed that your information is fresh.

Follow the step-by-step process below and you will be able to pull a fresh list of contacts just waiting for your marketing to arrive.

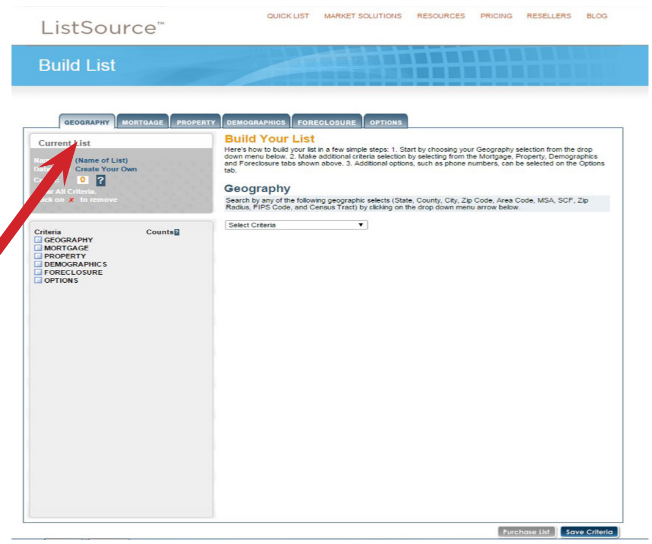
Step by Step Using ListSource

You must know what type of demographic fits the mold of what you are trying to accomplish? Depending on your goal, you will want to choose different criteria to pull your list. Remember, you are in control. If you do not like the results you are getting you can change who you target with your marketing. All you need to do is adjust the criteria you use to pull your list. Note, if you do choose to retarget your marketing, you may need to adjust your marketing letter along with the list you pull.

For the purposes of this demo, we will be looking for investment property that is owned free and clear or where the owner has significant equity. The goal will be to market to these investors encouraging them to consider cross collateralization of their current property for investment into new property.

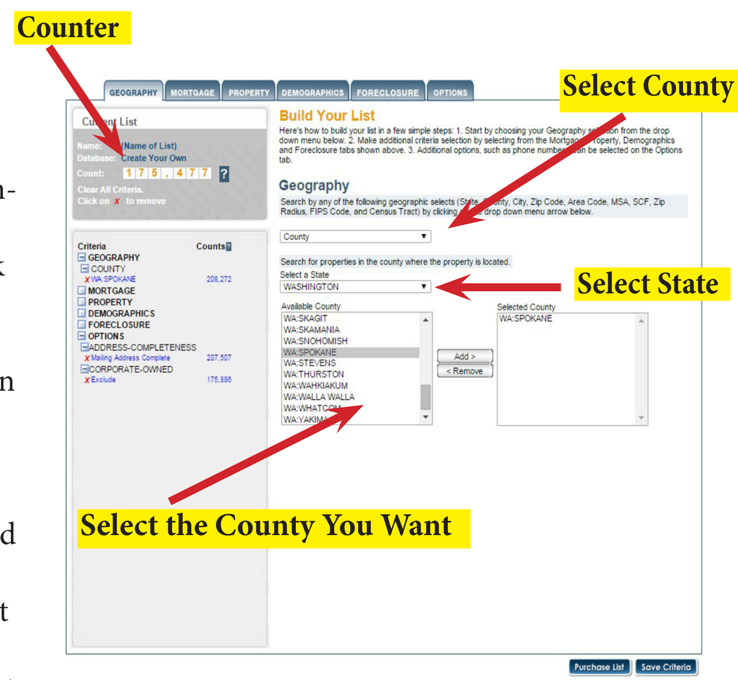
- Pull out your credit card so you are ready to pay for your list at the end of your search.

- Go to listsource.com in your favorite browser.
- Remember that investment property with significant equity is your goal.
- Assuming you are a new user to ListSource, click on the "Build List" button on the left had side. (If you are a returning user, start by logging in at the upper right hand side.)
- We will be using the list of tabs located horizontally across the page – Geography, Mortgage, Property, Demographics, Foreclosure, Options.

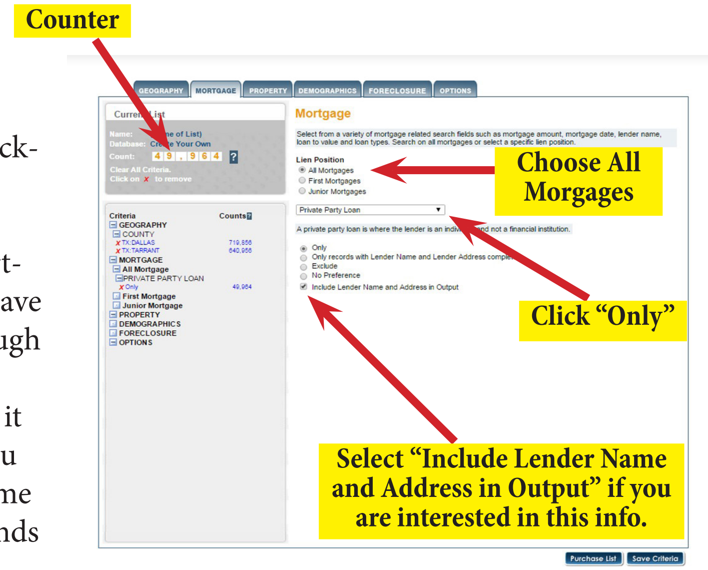


Geography Tab:

- Under the Geography tab, use the drop down menu "Select Criteria" click on "county".
- In the "Select State" drop down menu, click on the state you want to market in.
- In the "Available County" menu, select the county or counties that you are interested in finding properties in. Click the add button to include them on your list.
- Watch the "Count" gauge on the left to monitor how many contacts you have found with the criteria that you are using.
- Each time you change the criteria the count will be updated. Typically you will want to pull between 200 and 500 names. If your list falls out of this range adjust your criteria. You should have a very large number (in the thousands) of contacts in your list at this time. Do not worry, we will narrow it down in the next steps.

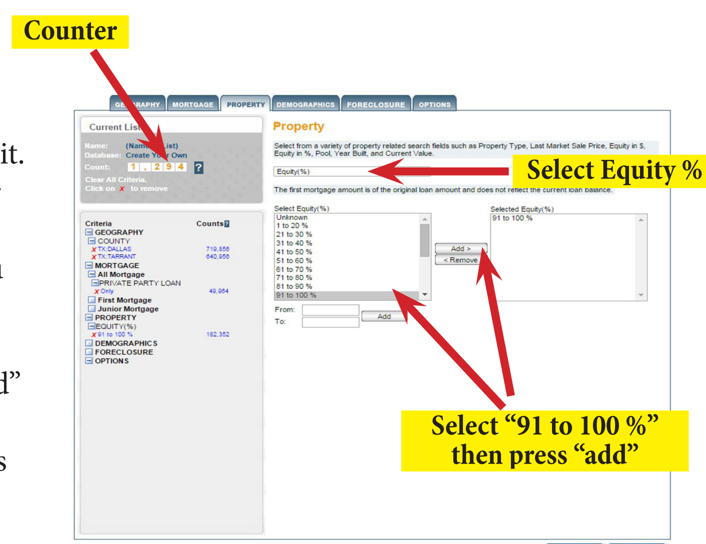


Mortgage Tab:



- Now move on to the "mortgage" tab by clicking on it.
- Make sure the "All Mortgages" button is clicked. We want to find out about all mortgages because many, many homeowners have taken out equity from their property through , third, and even fourth mortgages. If you do not ask specifically for "All Mortgages" it will not be included in the information you receive. This will most likely guarantee some surprises later on. We do not like those kinds of surprises!
- In the drop down box "Select Criteria" click on "Private Party Loan." This will allow us to target borrowers that already have experience working with private money.
- Make sure the "Only" button is clicked.
- If you are interested in finding out who the private lenders are in your selected area then make sure the box "Include Lender Name and Address in Output" is selected.
- Are you watching the Counter on the left had side? You should notice a significant change in the number of contacts. You should also notice counts being tracked based on the individual criteria that you have selected.

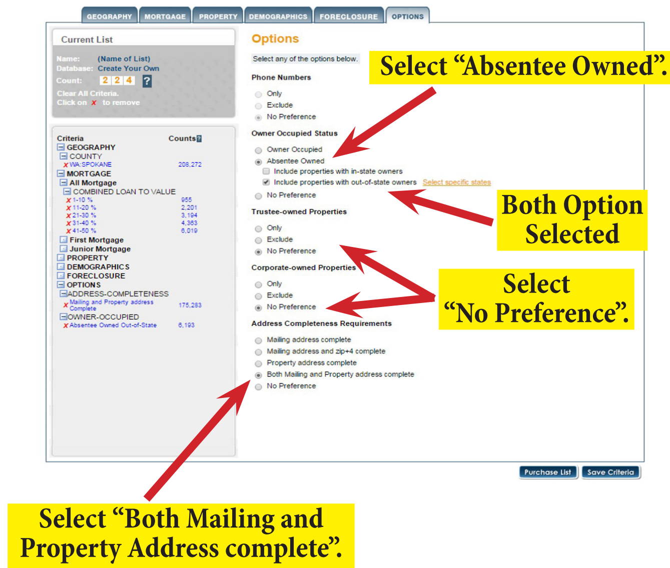
Property Tab:



- Move on to the Property tab by clicking on it. This is where we will filter for free and clear and high equity properties.
- From the "Select Criteria" drop down menu box, select "Equity(%)."
- From the "Select Equity(%)" box that appears, select "91 to 100%" and click the "add" button. If more names are needed you can consider adding the "81 to 90%" category as well.

Options Tab

- Click "Options" at the top.
- In the "Owner Occupied Status" select "Absentee Owned."
- Under "Absentee Owned" make sure "Include properties with out-of-state owners" and "Include properties with in-state owners" are both selected.
- In the "Trustee-owned Properties" section pick "No Preference."
- In the "Corporate-owned Properties" section pick "No Preference."
- In the "Address Completeness Requirements" pick "Both Mailing and Property address complete."
- Watch the Count on the left. Remember that the goal is between 200 and 500. If this is not achieved, go back and adjust the criteria.
- If the Count is close to what you want, click the "Purchase List" button at the bottom right.
- Create a Title for your list by filling in the box that is labeled "Enter a name for the list you are building."
- Follow the instructions on the page to create your ListSource account and to purchase your list.
- Make sure you select the button that says you will be using the data purchased through ListSource for "Direct marketing solely for my individual or company use."
- There are several add-on options you may be interested in at check out. For our purposes none of these need to be selected.
- Pay for list – PayPal/credit card etc.
- Download/export list into an Excel file.
- Clean up the formatting in Excel to include the following columns in this order - Owner's last name, Owner's first name, mailing address, property address, phone number.
- Market to your new list following the ***Rule of 56!***



Training for use of list source is available through the ListSource website and is a good use of time. And as a reminder, we also have a video training located in your *Rule of 56* Backoffice.

Formatting the List for Optimal Usage

Once you download your list from ListSource you will discover that the list is not very user friendly. You will need to reformat the spreadsheet to optimize it for your usage. Here is the format that is preferred:

- Last Name
- First Name
- Mail Address
- Mail City
- Mail State
- Mail Zip Code
- Property Address
- Property City
- Property State
- Phone Number
- Notes

To achieve this you will need to eliminate some of the columns you receive with your ListSource purchase. Other columns will need to be moved around. As you proceed through this reformatting, be careful to maintain the distinction between the mailing address of the owner and the property address.

There is a companion formatting template available to accompany these instructions. It is an Excel spread sheet with the headings from above filled in. You will need to copy and paste the data into the correct columns.

The Message

Over the years, we have found that the message matters, the type of message counts, and how often you touch your clients make a day and night difference to getting them to respond to your marketing. We have found that two mail pieces, followed by a phone call seems to be the magic formula to marketing success.

The First Mail Piece: The Yellow Letter

A yellow letter is essentially a handwritten note on a yellow lined piece of paper. The envelopes should also be hand addressed, so the "open over the trash can" or "tear up while walking up the driveway" syndrome is overcome. Because of the nature and personalization of this letter, once it is opened and read, it can often stay on a counter or desk for weeks. Over time, this reaction often compels the reader to eventually make contact with you, resulting in a high response rate.

Why Yellow Letters?
According to a study by the U.S. Postal Service (USPS), 34 percent of businesses using direct mail received the strongest customer acquisition from that form. (With conversion rates for "yellow letters" nearly 65 percent higher than regular direct mail pieces.) Over the years we have found that this statistic proves out and we continue to use it.

You'll note there is nothing special about the letter on the opposite page. It's short, direct, and lacks flowery words and language. That is the point. You want to disarm the reader with the simplicity of the message, your intent, and call to action. We leave the flowery and the wow factor to the mail piece.

The Mail Piece:
The Turn-Key Letter or Yellow Letter #2

When I returned to real estate investing in 2013, after the Great Recession ended and the market began to right itself again, I noted a few remarkable things. First the market was ripe with opportunity. The economic downturn had weeded out many real estate investors and produced a surplus of properties perfect for my intentions, which was either to wholesale for quick cash or fix and flip for more substantial profits. The thing I noticed was that mail was the perfect vehicle for getting my message out because there was a huge vacuum left in this marketing environment. No one was mailing, which meant I had an avid audience. Because of this, I created a mail piece to wow the crowd. We call it the "Turn-Key Marketing Letter." It's an 8-page, full-color, professionally-designed and copy-written newsletter chock full of real case studies, before-and-after photos of real rehabbed properties, and 3-option offers broken down into easy-to-understand solutions for the out of state owner/seller.

It has worked wonders in our market and believe it will do the same in yours.

We recommend this newsletter or Yellow Letter #2 as your client touch.

First Letter: Yellow Letter #1

DATE

Dear OWNER NAME,

My name is YOUR NAME HERE. I am a real estate investor, interested in purchasing your property located at PROPERTY ADDRESS, PROPERTY CITY, PROPERTY STATE, ZIP.

I have all cash, and can close in 3 – 7 days. Please contact me directly at YOUR PHONE # HERE or via email at YOUR EMAIL HERE.

Yours in Success,

YOUR NAME HERE
Real Estate Investor

Letter: The Turn-Key Letter

EMPOWER YOUR MARKETING

With 3 Profitable Solutions

The Out of State Owner Advocate

Rule of 56 Special
(Save $200)
Only $797

The Turn-Key Marketing Letter Includes:

- Licensing Agreement to Use the Letter as Your Own (including all the case studies) (customized with your contact info)
- Purchase And Sale Agreement
- 3 Tiered Offer Formula
- Offer-Writing Addendum
- Partnership Agreement
- Sample LLC Articles
- Sales Script for Incoming Calls
- Sales Script for Outbound Calls
- Ability to Utilize Cogo Capital for All Acquisition and Rehab Funds
- Repair Estimate Sheet
- Project Management/Oversight Agreement
- Access to Collateral DNA (4 Free) & and a Coupon Code for Deep Discounts Afterwards
- Access to a LIVE, Invitation Only Training Call with Lee to Learn How to Pull the Best Lists for the Least Amount

Do Not Send This Out Unless...

YOU WANT TO ATTRACT QUALIFIED LEADS!

- Time-Tested & Proven in Multiple Markets
- 8 Pages Stock-Full of Real Case Studies
- Full Color
- Professionally Designed and Copy-Written
- Before and After Photos of Real Rehabbed Properties
- The 3-Options Broken Down into Easy-to-Understand Solutions

Go to www.leearnoldsystem.com/ruleof56special to Make Your Marketing STAND OUT!!!

Letter: Yellow Letter #2

DATE

Dear ______________________,

Hello, my name is ____________. I am writing you a TIME regarding your property located at ___________. To date I have still not heard from you and am still, very much interested in purchasing this property. As a point of clarification, I am a real estate investor. I buy, fix and sell real estate for an anticipated profit. What that means to you is a professional, no hassle selling experience, to an all cash buyer, who can close in a very short period of time. That means cash, in your pocket, in as little as 7 days, (Depending on how quickly you respond).

If you are not interested in selling at this time, that is fine. All I ask is that you provide me the professional courtesy of an email simply saying, "I Am Not Interested", and I will remove you from my prospective seller list.

If you aren't sure if you're interested, but curious, shoot me an email or give me a call and I will provide you with an all cash offer within 48 hours of your inquiry. I can assure you that my offer will be below the Current "Fair Market Value", however, I will purchase the property, "AS IS". Meaning, you don't have to fix a thing. I will buy it as it sits. You don't need to clean it, paint it, fix that hole in the sheet rock, sweep the sidewalks, or mow the lawn. I will take it, AS IT SITS. (mold, sagging roof, unruly tenant you can't evict, meth labs, major cosmetic challenges, old, major deferred maintenance, you live out of state? (All Fine, AS IS, means, AS IS!!)

Please send me an email either way, letting me know your desired direction to XXXXXX@something.com, or call me directly on my cell at XXX-XXX-XXXX.

Please know that I am a local investor who is vested in this community. I take great pride and joy in improving the community I live in by providing quality housing for home buyers. I am confident you will enjoy working with me and my company on the sale of this property. I look forward to hearing from you even if it is to simply say, "Go Pound Sand, I ain't Selling"!!!

Thank you in Advance,

____

PS – I need to close on at least three properties this week, so please call me ASAP at XXX-XXX-XXXX if you need cash as quickly as I need good properties.

CONTACT ME TODAY! => XXXXXX@something.com, or XXX-XXX-XXXX.

Step #2: Make 25 Calls

Letters are not enough. It takes multiple touches from multiple mediums to properly close a deal. Make sure you're following up on your mail with a well-timed phone call and always make sure you ask, "Do you have any other properties that you're interested in selling?" This one question can get you some of the best and most profitable deals available. Make sure you also schedule a personal meeting when possible. Nothing closes better than face-to-face contact.

If you are not picking up the phone and making phone calls, you're probably not making any money. When I tell clients that they should be prospecting on the phone at least five to ten hours a week, I often hear an audible groan and see a sudden slump in their shoulders. Are you feeling the same physical discomfort?

I get it, and you're not alone. Cold calling is probably the scariest part of real estate investing and many people avoid it like the plague. But what if I were to tell you that being on the phone, prospecting five to ten hours a week, could earn you $150,000 to $300,000 a year, would you do it?

The fact is, you can, but if you're not, it may be because you're still "hung up" on your fear of the phone and the possible rejection on the other end of the line. So, let me manage your expectations and get this out of the way—I guarantee that you are going to hear a lot of "Nos," but I can also guarantee that each "No" will get you closer to a "Yes."

Another reason you may not want to get on the phone is that you have yet to see the benefits of dialing for dollars. You may still be in the "No" phase and you're becoming frustrated and disenchanted by the lack of benefits from all your energy and time. If this is you, know that I've been there. I received countless nos and I've also received countless yeses. Regardless of my frustration at rejection, I can tell you that I've made more money on the telephone than I have using any other tool in business, including email marketing and online advertising, such as Google and Facebook.

What is Cold Calling?

First of all... let's call it what it is. Cold calling is hard work. But if you want more business, then you have to devote time to it. Cold calling is when you call a potential client without a set appointment. They may have responded to a direct mail piece, an ad you posted, an e-mail you sent, or a voice mail you left. These calls are often prospective property sellers.

Since cold calling **IS** hard work and since you know that if you don't do it, you won't make the six-figure salary you want, it's time to buckle down, pick up the receiver, and just dial. But before you do that, here are some helpful hints that will successfully navigate you through a cold call.

When Cold Calling, You Should:

#1. Have a Script: It's a good idea to have a script the first few times you do this. Use it until you get comfortable with being on the phone with strangers. Just remember, it is highly unlikely you will be closing the deal on the first call. So relax, get to know the seller, and find out as much info about him or her and about the property as you can. Then make sure you set up an appointment for a follow-up call.

#2. Smile While You Dial: I know it sounds cheesy but it works. Smiling does a few things for you when you're making that dreaded phone call. According to University of Kansas researchers it reduces your stress levels and reduces your heart rate.

It's not only good for you, it's appealing to the other person on the line. When people "hear" you smile (yes a smile is actually audible in your voice), science tells us that it's only a matter of time before the brain's mirror neurons fire up, creating the 'feel good' sensation in the listener's mind that's associated with smiling. They smile too which creates a more positive atmosphere and reception on the phone.

#3. Be Positive About What You're Doing: Most people think negatively about cold calling. They have this predisposed notion that what they're doing is disruptive and annoying to the person on the other side of the receiver. This sets up a very unfortunate environment from the get-go. Instead of calling it, "Cold Calling," call it "Dialing for Dollars." Also, remember that you're doing them a service. You're often calling on homes and properties that have become a nuisance and pain to the owner. You're giving them real options toward financial freedom and peace of mind. Once you frame your mind and call in that direction, it's easier to pick up the phone and not feel like you're a telemarketer. I suggest that before you pick up the phone, you breathe and remind yourself, "I'm changing lives today," and then make the phone call and actually do it.

Even if the conversation goes nowhere, handling things in a professional and positive manner can keep you on the forefront of your prospect's mind for when their situation changes. This is important because it is not uncommon for an investor to get 30-40 percent of their deals from follow ups months later after the initial contact.

#4. Stand Up For Your Business: Body language matters and if you're slumped in your chair it reflects in your voice and your energy levels. Stand up, pace a little while on the phone, gesture with your hands and act like the person is in the room with you. It helps your confidence level and invigorates your message.

#5. Make Business Partnerships, Not Friendships: Whenever I say this in a presentation in front of a crowd, I always see stunned expressions in the audience. Apparently it's not politically correct to say you're not in the friendship business. Listen, I have enough friends. When I'm in my business, I'm looking for people to help me make money. Plain and simple. Because if you don't make money, you're out of business.

That being said, you want to weed out bad numbers, time wasters, disconnects, tire kickers, looky-loos and those who say, "take me off of the list." Eradicate all these people from your list who you cannot or do not want to continue a relationship with.

If you are concerned about the "Do not Call Registry," don't be. You are not a registered telemarketing company. This means you do not need to worry about purging your list via the "Do not Call Registry" prior to calling. There is a string of code in the law that says if you are an individual entrepreneur working and conducting business on behalf of yourself, then all you need to do is stop calling people when they say take me off the list or if they mention they are on the "Do not Call List." The only time you need worry about the "Do not Call List" is if you continue to call them after they have told you to remove them from your calling list. At this point you are in violation of the law.

When Cold Calling, You Shouldn't:

#1. Give Up. There's no point in generating leads if you're not going to work them effectively and monetize the relationship. A lead without follow up is money wasted. Getting on the phone is the best way I have found to make sure your business keeps humming and your deal pipeline remains full. So, lean into the rejections. Count on them. Make them a daily quota: "I need 20 nos today to get one yes."

Let me put it to you this way, 70 percent of people stop following up after the call. According to a couple of studies, one by Sales & Marketing Executives Club of Los Angeles and another by Salesforce.com, over 90 percent of sales are made after the fourth call. If you're not making it to at least the fourth call, you are eliminating 90 percent of your income-generating opportunities. Knowing this, how many times should you contact a person before you can even expect any level of success? I would go so far as to say, you have no right to expect compensation or income if you are not dialing your leads and working your customers at least 5-10 times.

#2. Be the Chatty One in the Conversation. You want to control the conversation but you must let the seller do most of the talking.

Keep it short and sweet. Rather than overwhelm a stranger with information or industry-specific terminology, speak clearly and stick to high-level explanations.

And ask questions, a lot of questions! Get to know your seller. What is their motivation to sell? Build trust in the relationship. This takes time, so do not rush it.

#3. Be Pushy... But Don't Be a Push Over Either. I promise you, you will rarely cross the line of pushiness when following up with a lead. They are used to being ignored (remember, 70 percent of people stop following up after the seecond call). You following up will be a breath of fresh air rather than an annoyance. It is our responsibility to keep following up with our prospects until we know for certain that they either want to or don't want to do business with us.

In the same vein, don't give them an easy way to get off the call by asking them questions like "Do you have five minutes to talk?" Instead, ask more direct questions that will keep them talking about themselves with the full pursuit of getting the answers you need.

As long as you ask questions, listen, take notes, and repeat back to them what they wanted you to hear, you can get past the pushy part and into the business partnership part much more quickly.

Cold Calling Script

Hi, is Mr. or Mrs. _________ available? …My name is ______________ from ______________ (your business name) and I'm following up about two different yellow letters we sent you regarding the property located at __________ (Address). Have you ever considered selling this property?

If yes:

- Ok, great…what can you tell me about this property?
- How long have you owned it?
- Is it vacant or occupied?
- If occupied – can you tell me about your tenants?
- If vacant – how long has it been vacant?
- What is your email address so I can send you my offer?
- Can we schedule an appointment for _______________ (choose a date and time according to what your schedule will allow) to view the property?
- What is your cell phone number in case I am delayed?

If no:

I am a real estate investor, I buy and sell properties and I am interested in any properties you may know about in your area. Do you know of anyone selling a property? (GET NAME & NUMBER)

Option to help you collect email addresses:

I routinely send out pertinent information concerning property values and real estate trends to home owners in your area. With your email address I can make sure you receive this valuable information at no cost. Your email address is? (If you are going to use this then make sure you have a monthly or bimonthly newsletter that you send out as part of your marketing efforts.)

If Voicemail:

My name is ____________ from ____________ (your business name) and I'm following up about two different yellow letters we sent you regarding the property located at ___________ (Address). My Firm is interested in purchasing your property for all cash and we can close in as little as 72 hours. Please call me directly on my cell at ___________. Again, ________ (your business name) @ ___________ (your number). (Hang up)

Step #3: Attend Two Networking Events

2 networking events in one week...WHAT? When we say networking, we're not just talking about networking seminars or meetings. These can be phone meetings or face-to-face meetings with Title Companies, Foreclosure Attorneys, Contractors, other Real Estate Investors, Real Estate Agents, etc. These people will be part of your Power Team and are absolutely necessary in keeping your deal flow stacked. Make sure you're out there pounding the pavement and making inroads with the other movers and shakers in your local market.

As Americans we pride ourselves on being self reliant. We are taught that co-dependence is an awful term and therefore work our fingers to the bone trying to be everything to everybody. This isn't necessarily a bad thing unless it means that we forget the art of networking and building a power team.

Richard Branson, an English business magnate and the founder of Virgin Airlines once said, *"Many people think that an entrepreneur is someone who operates alone, overcoming challenges and bringing his idea to market through sheer force of personality. This is completely inaccurate. Few entrepreneurs—scratch that: almost no one—ever achieved anything worthwhile without help. To be successful in business, you need to connect and collaborate and delegate."*

To truly begin the process of wealth building, you need to understand that you can't do this alone and that you need to plug yourself into the right people who can help you.

If you don't know the importance of truly connecting with other people and strategically figuring out how their talents and knowledge can positively benefit your professional and personal growth, your business will, without a doubt, stagnate. What's more, being connected allows others to profit from your knowledge too.

But there are a few important rules of engagement that you should follow in order to get the most out of your networking experience.

Rule #1: Become a Great Connector by Becoming a Great Listener

Most people treat conversation like a competitive sport. The person who says the most, makes the smartest quips, persuades others of an opinion, and speaks the longest and loudest wins. Nothing could be further from the truth.

One of the strategies of connecting with others is to become an avid and expert listener. Too often when another person is speaking we're secretly planning what brilliant thing we're going to say next. However, you can create a wonderful and unforgettable experience for someone else by just listening to what they have to say. They will never forget it.

Rule #2: Knowledge is Power:

"The more I speak, the less I know." Have you ever heard that adage? How much can you possibly learn if you're doing most of the talking?

You already know all about you, but you don't know anything about the other person, and you won't if you never shut up and listen.

Besides giving value to someone else by listening to them, you are doing a few other things. You are remaining in a very powerful position. When you give someone else the floor, you're learning a lot know about them, while giving them very little knowledge about you.

You are also not in jeopardy of revealing too much information about yourself or saying anything dumb or inappropriate. How often have you been in a conversation where you regretted the information you shared or felt foolish about what you said? By listening, rather than talking, you won't make that mistake.

Finally when you listen rather than talk, you'll find that people will listen when you finally do have something to say. As with anything else, the law of supply and demand holds true: If you're always talking and sharing your opinions, no one will seek them out—they won't have to! However, if you only say what you're thinking on occasion and to make a powerful point, your words are much more likely to have a memorable impact.

Building Your Power Team: Who Should You Be Networking With?

Everyone has heard the saying, "It's who you know, not what you know that matters in business." Building meaningful relationships with the movers and shakers in your local market and the industry at-large pays off in more ways than simply doing a profitable deal. You do this by creating a Power Team.

A Power Team is a group of people of "complementary" professions. They work with the same clients, but do not take business away from each other.

A great example of this is easily found in the real estate industry. A realtor, mortgage broker, building inspector, title agency, real estate attorney, private money lender, and private money broker all service clients looking to purchase property and therefore can provide great value to each other. They can work synergistically to create a strong and dynamic Power Team. These are the kinds of people you should be networking with on a weekly basis to build up your business and create rapport locally and nationally.

Regardless of who you partner up with they should be able to help you accomplish these three things:

1. Find Deals
2. Find Money
3. Close Deals

If they don’t, then they have no place on your Power Team.

Where Do You Find Your Power Team? Where to Network

Go where your best customers, competitors, and prospects meet (Masterminds, Seminars, Facebook, Linked In). When you're there, make sure you listen to their needs and give value. Be a resource and a connector. Get involved in the relationship and make sure you pay it forward. By referring others, you’ll get referrals too!

Here are some of the types of industries you should be looking to partner up within:

- Attorneys – Contact local probate, foreclosure, bankruptcy and real estate attorneys.
- Real Estate Partners – Title companies, mortgage brokers, real estate agents, wholesalers, anyone related to real estate.
- Insurance Agents
- Property Managers
- Private Lenders

Tips to Networking at an Event

When you're in a networking situation at an event work to hone these three skills:

1. Don't Just Stand There, Do Something!
If you want to be successful in real estate investing you can't wait around for others to approach you, you need to be the heat seeking missile. Your job is to find the warmest leads in the room. The best way to do this is by asking people questions (like the those found on the opposite page) to learn about their current situation and their long term goals.

People love to talk about themselves and by listening, you'll know which angle you can best serve each other.

2. Less is More.
Don't feel like you have to talk to every single person in the room. Quality contacts are much better than quantity contacts. Making a connection is the key to networking, and you can't really do that if you're simply gathering cards for cards sake.

3. Follow Up.
Although this is the Achilles Heel of many entrepreneurs, it's the most important step in honing a powerful networking instinct. Within 48 hours of your first meeting, send an email pinpointing the most important parts of your earlier conversation so your contact remembers who you are.

A timely turnaround will show that you're both interested and available to continue the conversation.

You can't do this business alone. Learn how to let your guard down by allowing others to complement your strengths while also making up where you're weakest.

It's the only way I have made it as far as I am today and it's the only way you'll be able to scale your real estate business too.

Questions to Ask in a Networking Situation

We sourced these networking and team building questions from *Entrepreneur Magazine*. All of these questions give you the ability to learn how you and a potential Power Team player can make money together.

1. How did you get started in your business? This is a great icebreaker question. Sometimes knowing what motivated your contact to get into their particular business enables you to see where he or she will fit into your Power Team.

2. What do you enjoy most about what you do?

3. What separates you and your company from the competition?

4. What advice would you give someone starting out in your business? Asking someone for advice shows respect and is essential for building credibility with your networking partner on the road to profitability.

5. What are the coming trends in your business or industry? If your Power Team partner has detailed information and strategies on how to profit from upcoming trends, you might learn something of value.

6. What strategies have you found to be the most effective in promoting your business? This question leads to brainstorming for each other's business and stimulates the exchange of marketing and promotion ideas, as well as business building in general.

7. If there were anything about your business or industry you could change, what would that be? This question, in addition to building rapport, allows your power team partner to discuss business freely and provides you with the opportunity to suggest solutions.

8. What is the next big event coming up for you? This question almost always results in referral opportunities if followed up correctly.

9. What is your biggest challenge at the moment? The answer will provide insight into their business and life to help you understand him or her more as a person, as well as possibly uncovering money on the table with referral opportunities.

10. What type of customers are you looking for? How will I recognize a good prospect for you? What specific situations are your targeted prospects experiencing? The more vivid picture your networking partner paints of who and what they are looking for, the greater the probability of you recognizing their targeted prospects.

Step #4: Write 4 Offers

Everything you've done leads up to making the offer. Four offers a week makes sure that you are at least flipping or wholesaling one deal per month or every other month. In order to do this, follow the ABC rule, which is "Always Be Closing." Make sure in every meeting with the homeowner you are moving the deal along, getting it under contract, and pushing it toward the closing table.

Offer writing is more than simply writing an offer, it's also analyzing the property, assessing a seller's motivation, and negotiating the best terms for everyone involved. Each offer is creatively tailored to the specific needs of the seller and your MAO (maximum allowable offer).

This is very different from what many other gurus teach in the real estate space, which is get it for as little as you can. I don't agree with that philosophy because someone has to lose in that scenario. Most sellers want to feel like they're getting the most they possibly can and they don't mind if you make a profit in the process as long as you're upfront about your intentions.

Here's how I often couch it: "You know, Mr. and Mrs. Seller, I'm a real estate investor. I do this for a living. This is how I put food on my table for my kids. I have to make a profit, but not at the expense of you not getting what you deserve or what you're owed. I want to make sure that you get what's best for you and your family. In the same regard, please know that there is a price that I have to pay to be able to do this deal and also make a profit. We are of the same mind on this matter so how much do you need to sell me this property"

Do you see how full transparency and disclosure with the seller actually improves your ability to negotiate? This is probably one of the most honest statements you can make in an initial sales presentation. It's honest and the seller will appreciate it.

You Are the Transaction Engineer

The 3-tiered offer is a multifaceted approach to writing offers that leverages one or more of the two key elements to making money in real estate – namely buying at a favorable price and/or getting favorable terms. If you have written offers before, you will find this vastly different from writing a standard purchase and sales agreement.

Before you make the offer, though, there are a few things you need to know about the property:

- What is it worth?
- What can you get it for?

There are also things you need to know about the seller to determine their motivation to sale.

- How long has the seller owned the property?
- Does the seller own other income properties?
- What are the seller's plans for the proceeds from the sale?
- Will the seller consider carrying any financing?
- Is the seller easily offended?
- Is the seller willing to negotiate on price and terms?

Why a Three-Tiered Approach?

As you begin to understand the 3-tiered offer, you'll see that it is just one piece in a carefully orchestrated system that positions you, the investor, as the expert real estate Transaction Engineer who has come to the aid of the distressed or otherwise motivated seller.

Once you know the value of the property and have come to an understanding of the seller's motivation, you can then create a custom 3-tiered offer that will appeal to the seller, all the while remembering that as an investor you need to purchase this property at either a favorable price and/or favorable terms.

Note: You cannot be a motivated buyer. When you're a motivated buyer, you will ultimately become a motivated seller because you either paid too much or your terms did not favor you in the transaction. This is the worst negotiating place you can come from.

I'm always ***interested*** in doing a deal, but I don't ***have*** to do a deal and I don't ***need*** to do a deal. If the deal makes sense for me, I'll do the deal. If it doesn't, that's okay, too. I just move on until I find the deal that does make sense.

The Offer is the Beginning of the Dialogue

If they didn't feel involved in the process before, they really feel involved now because option offers are created to involve everyone's best interest. The option offer is a very good and healthy place to be in negotiations on the deal. You do this by asking the following question: "If I pay you all cash and close quickly, what's the least you would accept?"

This question is important because we need to have a starting point. You need to anchor the price. I need the seller to give me a number. Everything else that I construct is going to be based on that anchored price.

I also cannot stress to you enough the importance of getting them to quote you a number first. Don't construct an offer, even a three-tiered offer, without knowing where their belief system lies as to the value of their property.

Also, another benefit to them giving you a number first is that they subconsciously commit to the sell. Mentally, they start logistically going through the process of selling the property. Beyond that, in their heads, they start spending the money.

This is a good thing for you, as the buyer, because the minute they start spending the money, they start becoming a motivated seller, and suddenly they are more willing to give concessions, to make changes, to amend things, and give you more of what you need.

Negotiating Tactics

After the seller mentions their price, you can begin anchoring your own price by talking about your research in the neighborhood and what the surrounding houses are worth. Ask them what the assessed value is, which is almost always lower.

Next ask the seller what their immediate financial needs are. "Do you need a large amount of cash or would you benefit more from monthly payments?" As a landlord, they are used to receiving monthly checks and may prefer this if they know that it is an option. Remind them that if they take a large lump sum they will pay a large capital gains tax on the deal, but you can structure the deal to include some owner financing, which would provide some money down with monthly payments. They still pay capital gains but they will reduce their tax exposure. Let them know that you will include some options in your offer to help them decide what is best for them.

Finally ask, “If I pay you all cash and I pay you quickly what is the least you can accept?” Follow this up with, “Is that the best you can do?”

There are other questions to ask, as well, prior to writing your offer. Ask if it is listed. (You should know the answer to this before you ask.) Always ask if they have other properties to sell or if they know anyone else looking to offload a property.

The Option Offer: The 3-Tiered Approach

In the three-tiered offer, we start with the first offer at the top, which is anchoring the price as low as possible. With each subsequent offer, we get closer to their initial stated price, which is why we need them to name that price.

As you construct your offer include the following 3 parts:
1. Low-Ball Cash Offer
2. A Small Down Payment with a Seller-Carried Second
3. 100 Percent Seller Financing

Always remember that option offers are flexible and include variations on seller carry with or without interest. When I write these options, I don't care if the seller chooses 1, 2, or 3 because they're all good options for me. If the seller agrees to the terms, they are clearly good options for him or her too.

Payments can be interest only or you can amortize the loan. If you choose to amortize it can be over any period of time you desire with a balloon payment at some earlier point. You can even include an equity kicker when you dispose of the property. Remember that anything that is legal that both you and the seller agree to put into writing and sign is your contract.

After you have written your offer and you're ready to present it to the seller, make sure you look the part and can confidently go over the options and the benefits of each. Your presentation includes not only the offer but also you the presenter. Everything from how you look, shake hands, and hold the paperwork speaks volumes to the seller about your professionalism and ability to really follow through on the deal. Remember, you want to position yourself as the expert Transaction Engineer throughout your experience with the seller.

What to Include in Your Offer

In an offer to purchase real estate, you include not only the price you are willing to pay, but other details of the purchase as well. This includes how you intend to finance the home, your down payment, who pays what closing costs, what inspections are performed, timetables, whether personal property is included in the purchase, terms of cancellation, any repairs you want performed, which professional services will be used, when you get physical possession of the property, and how to settle disputes should they occur.

The 3-Tiered Offer

The Low-Ball Offer

This offer will be all cash. It will be the lowest of the 3 offers. If done correctly, this amount will offend the seller. That is okay. Remember there are two other offers to come. This offer is admittedly a low-ball offer that sets the subsequent two offers up as being better ones and worthier of consideration.

The Small Down Payment w/ a Seller Carry Offer

This offer mixes some cash with the rest being a seller carry. Since you will include terms that are highly beneficial to you, you are able to offer more than the cash only offer. This offer should be constructed to appeal to the seller who expressed a need for some cash up front but does not need all the cash at once.

All Seller

This option requires the least out of pocket from the investor. This, coupled with favorable terms, will allow you to make the highest offer through this option. This is the ultimate win – win option. The investor controls a new property with no money out of pocket, the seller gets his/her house sold and can maintain a monthly income.

Some Final Thoughts and Advice

Testing and Tracking Your Marketing Efforts

Marketing is important, but knowing how your marketing is working is just as crucial. Otherwise you could be channelling your marketing dollars into the wrong mail pieces and not seeing a return on your investment.

There are several ways you can do this:

A/B Testing

This method, also known as split testing, is a means to determine which out of two design formats is pulling the best — namely, lead conversions and phone calls. This tactic involves publishing two different versions of your mail piece and then measuring the impact of each campaign.

You can test two different headlines, two different colored envelopes, two different main messages, to see which pulls better. But only test one thing at a time.

How to Tell Which Mail Piece is Working Best?

Tracking which channels are eliciting the most phone calls is another great way to determine how you should be spending your marketing resources. One effective method of doing this is to use different phone numbers for different marketing sources and advertisements. Use a call-tracking service to redirect each number to your office phone. You'll then be more aware of which sources are most conducive to client communications — and which ones aren't quite cutting it. This will help you to not only better understand your marketing strategy, but also restructure it if needs be.

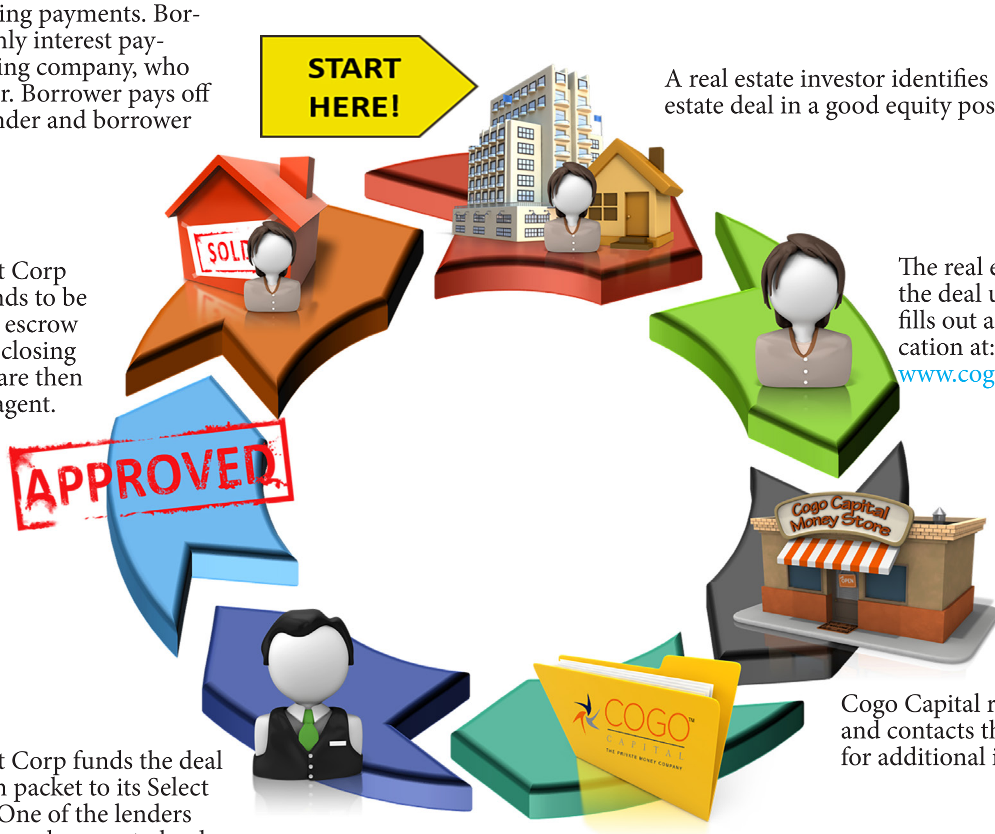
Warning!

Being a real estate investor is a numbers game. If you are going to make money you must close deals. If you are going to close deals you must write offers. If you are going to write offers you must market to find properties to write offers on. This being said, **DO NOT EVER STOP MARKETING!** When you stop the *Rule of 56* you put an end to making money. Plain and Simple!

Mailing 25 letters per week is the bare minimum, but if you struggle keeping up with that number, then you may need to get some help. Do not be afraid to multiply your efforts by investing in an assistant. Hire your kid, a neighbor kid, or a college student looking for easy month. No matter what you do, just **DO NOT QUIT!**

Make sure you are committed to multiple contacts. The system works if you committed to work the system. It will take multiple contacts to get the results you want. Marketing research tells us it takes an average of 6 touches to complete a sale. This means you will be sending multiple letters and making multiple phone calls.

Your Offer is Accepted, Now What?
How It Works From the Borrower to the Lender



A real estate investor identifies a great real estate deal in a good equity position.

The real estate investor puts the deal under contract and fills out a private money application at: www.cogocapital.com.

Cogo Capital reviews the application and contacts the real estate investor for additional information.

Cogo Capital researches, reviews, and assembles all the due diligence items, which includes title insurance and a 3rd party appraisal.

Secured Investment Corp funds the deal or provides the loan packet to its Select Lender's Network. One of the lenders likes the parameters and agrees to lend on the deal.

Secured Investment Corp arranges for the funds to be wired to an outside escrow agent and prepares closing documents, which are then sent to the closing agent.

Loan is closed and Secured Investment Corp sets up servicing payments. Borrower makes monthly interest payments to the servicing company, who then pays the lender. Borrower pays off the loan and the lender and borrower do it all over again!

Want to See How The *Rule of 56* Works Where You Live?

Join Us at Our Next
Regional Real Estate Clinic

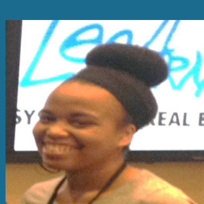
- Carefully designed to show you how to create cash immediately, this **REALITY-BASED** training coupled with top-notch instruction provides an eye-opening and energizing experience.
- Role playing and case studies are two of the major techniques used to ensure understanding and retention.
- You walk away knowing how to systematically find, negotiate, control, and profit from to your investment properties

Our trainer will teach you:

- How to identify wholesale properties
- How to locate owners and negotiate with them
- Network with other investors
- How to develop an investor database
- Closing strategies that work
- Marketing techniques that the top investors use
- Smart exit strategies
- 30 days to cash and **What to Do Tomorrow!**

Joyce Bruce said: "Mastermind was outstanding!!!. The Buying strategies I have fought w/for years. I had been told what to do. This was the first time anyone ever told me how to do it.! Research by the numbers.

Paul Gross said: What I like about this course is that I spent a week in Orange, CA with another guru and did not learn as much as I did here in just 3 days of training.



Courtney Watson said: "What I liked about the training is that it brings you into reality. If you truly want to be successful you have to make sacrifices and work hard/smart for what you want. Also to never make excuses for yourself. Always go into a deal with confidence."

Want to See How <u>You</u> Can Attend a Real Estate Clinic in Your Local Area? Go to www.leearnoldsystem.com/56consultation

Some *Rule of 56* Success Stories

Case Study 1.

Dave Bianco

"I recently completed my first successful real estate wholesale deal here in Orange County. I did this by following the instructions and processes laid out in Lee's program.

By using the "Rule of 56, I was able to locate a motivated, out-of-state property owner and negotiate a contract to purchase his property for $35,000 cash. My exit strategy for this property was to wholesale it to another investor, and Lee showed me the steps on how to market the property and find investor buyers."

Using our training and the yellow letter, Dave purchased a house for $35,000, did nothing to it, wholesaled it 60 days later to an all-cash buyer and netted over $30,000 in cash.

Case Study 2.

Terry and Kent Mckee, Mentors of The Lee Arnold System of Real Estate Investing

"Early on, one of the best and simplest pieces of advice we got from the Lee Arnold System was to use the *Rule of 56*. Yet, I remember looking at the poster for the first time and thinking, "That doesn't look like much." We were expecting some high-tech software that would instantly show all the great deals to pick from. We wanted a magic bullet and that didn't look like it. However, we decided to follow the formula the exact way we were taught.

At the event we went to, Lee presented the Turn-Key letter. We went back for a closer look. While reading it over, we thought, "Hey, I would want to do business with whoever sent me this letter. It gave some good options to help and it looked like a legitimate outfit we could trust." It also fit in perfectly with the *Rule of 56*, which we had been shown by real people consistently worked.

So we decided to use the companion tool, the Turn-Key letter, while doing the six touches recommended in the *Rule of 56*. What we found out was how great it works! After sending out the Turn-Key Letter, a large percentage of folks began calling us. The Turn-Key Letter really hit a home run. Within a short time we started getting some great opportunities.

With Lee's help, we negotiated a ten house deal from a motivated out-of-state landlord. We bought these ten houses with almost no out-of-pocket money and below $.50 on the dollar! This only happened because we had the tools, training, and guidance to make the deal happen.

Very few investors can jumpstart their business in such a short time and we would not have been able to do it either except that we employed the *Rule of 56* consistently and used Lee's training system, including the Turn-Key Letter.

After two years, we still use the *Rule of 56* and Turn-Key Letter...talk about a time-tested strategy!"

Have You Been On A Funding Tour Yet?

This year we've upped the ante and our pace! Due to overwhelming, popular demand, we're in more cities during more weeks this year than EVER before... which means we're likely coming to a city near you.

AND to top it off -- we're paying your way to attend. That's right, put away your wallet because your tickets are on the house!!!

WHY? Because if we can train you to find profit-center deals, we can lend you the money and everyone wins!

Which means you have NO EXCUSES and EVERY REASON to attend and learn how to invest and profit in real estate!

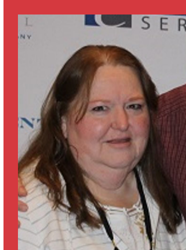
Rave Reviews!

The presenters were knowledgeable and engaging with participants. The two one-on-one consultants gave me an opportunity to verbalize my goals and receive feedback.

- Gail Walker, Kansas City Funding Tour

Loved the hands-on exercise with the folders and Bus Tour.

- Donald Sparks, Salt Lake City Funding Tour



Upbeat and genuine - I love the fact that it teaches us how to help each other and benefit from relationships.

- Lori Wilson, Baltimore Funding Tour

- How to find FUNDABLE investment properties and get them financed through private money without ever having to visit a bank
- Participate in a phenomenal **OFFER-WRITING EXERCISE.** This dynamic, hands-on workshop shows you how to make option offers that appeal to the seller while allowing you to put in the least amount of money on each and every equity-rich deal you encounter.
- See and walk through **AMAZING DEALS** that attract funding every time!
- Get the A to Z Real Estate Investor Plan that puts money in your pocket!
- Learn how to package ugly homes into FUNDING WINNERS!
- Understand how to “beef up” a buyer and seller list for quick turnaround.
- And much, much more!

Coming to a City Near You!
See When and Where We'll Be Next and Grab Your Spot Here:
www.fundingtour.com

The Rule of 56

Over the years of real estate investing, I have found that nothing works better or faster than the *Rule of 56*. This self-prescribed formula is the exact method I have successfully used over the tenure of my investing career. It's the number one thing that keeps my phone ringing off the hook and my deal pipeline stacked with one profitable property after another.

Now, after many requests and countless demands from my clients and students, I have finally created a book to share this proprietary, time-tested and investor-approved formula.

If you follow the *Rule of 56* correctly and you're keeping track of the letters that are being sent, the phone calls that are being made, and the offers that are being written, you're going to see your profits rising up and to the right.

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