

FORECLOSURE

SECRETS

to

\$UCCESS\$

How to Avoid and or Make Money from Foreclosure



by Eddie Ward jr.

FORECLOSURE

SECRETS

to
\$UCCESS\$

By Eddie Ward Jr.

ISBN 978-0-578-04933-5



9 0000 >

9 780578 049335

:NOTICE:

All the information contained in Foreclosure Secrets to Success is for informational purposes only. Any suggestions or recommendations are strictly the opinions of the author and those mentioned in this book. The advice of legal counsel and/or other licensed professionals should be considered before venturing forward with any of the ideas and/or secrets found in this book.

Foreclosure Secrets to Success. Copyright © 2010 by Eddie Ward Jr. Printed in Miami, Florida. All rights reserved. No part of this book may be reproduced in any form or by any electronic or mechanical means including information storage and retrieval systems without permission in writing from the author and publisher. Published by Luis Valdeon and Eddie Ward Jr., Eddieward44@Gmail.com or 305 222-0419 First edition Work-Booklet version.

ISBN # 978-0-578-04933-5

Written by Eddie Ward Jr.

Edited by P.I.P.

Cover Design by Eddie Ward Jr.

Interior Illustrations by Eddie Ward Jr.

Production Coordinated by Luis Valdeon and Eddie Ward Jr.

Table of Contents

Pg. 4	Note from the Author
Pg. 6	Chapter One: The Modern day Robin Hood
Pg. 20	Chapter Two: The American Dream
Pg. 27	Chapter Three: Foreclosure: How to avoid it, recover from it and...
Pg. 37	Chapter Four: Real Estate Riches book Review: What we did to begin
Pg. 50	Chapter Five: Case Studies: What it really takes to be successful
Pg. 63	Chapter Six: “Believe half of what you see and none of what you hear”
Pg. 78	Chapter Seven: The Authors’ Recommendations
Pg. 87	Chapter Eight: In Closing...
Pg. 91	Acknowledgements: A message from Luis Valdeon AKA Robin Hood
Pg. 97	Resources
Pg. 99	Notes

Note from the author

The idea behind the name: I wanted to write a book featuring the two sides of Foreclosure. Each side begins with the word foreclosure and each side ends with success. One perspective of foreclosure can be frightening, while the other view can be exciting. Success too, has its differences. One person's success might be a feeling of relief while another's is a feeling of freedom. I've seen tears flow from those who have experienced success. I've seen passion and rage with foreclosure. Both sides of foreclosure can be an emotional roller coaster. Emotions are spent whether you are a victim of foreclosure or an investor in foreclosures. Some emotions are extreme. Anywhere from physical destruction due to a fit of rage, criminal acts such as arson in an attempt to collect insurance, abandonment and denial. For the most part people react in a panicky way when they are the victims. For those that invest, bribery, violence, assault and battery, harassment, vandalism, lying and theft are some of the results of extreme emotions.

In most cases, foreclosure is the death of a home. The house itself in most cases still lives but its' occupants have left. The spirit of the house dies and waits for a new family to enter. In cases where the victims don't voluntarily leave, they get evicted. The eviction process is a form of exorcism. The Sherriff acts like a priest to cast away the evil spirits (the foreclosure victims) that possess the house. The excised previous owner had a life with their home. Then something went wrong, the foreclosure process began. Not every foreclosure case ends with eviction. And in those cases, the victims recover from their problem and achieve success. However when the victim loses their house, foreclosure begins a new life for someone else to experience success. An investor typically takes possession. After a little rehab, they sell it for a nice profit. For the investor, profit equals success. So, foreclosure will generally end in one of two ways. Either the victim will work things out and keep their property or they lose it. Eventually an investor will take ownership of the property and rent it or sell it for a profit. In other words, foreclosure generally ends successfully.

So whether you are looking at foreclosure from the perspective of losing your home or buying a home the story begins with foreclosure. What I want to do with this book is tell you how to make either case a success. So that's what's in the title of Foreclosure Secrets to Success.

I want to tell the secrets that the foreclosure experts know but keep from the public. Why? Because it's time to level the playing field. This country suffers from a major illness called GREED. It's greed in all caps, because it's screaming greed. It's the sick side of capitalism. It is why we are having the economic problems we face today. I myself have been conditioned to think in a capitalist way. I've been an entrepreneur type of person my entire life. I've worked hard to be the best I can be in order to be a more valuable producer. I don't believe in the Communist way where everyone earns the same wage no matter your responsibilities or time spent on the job. I've been in a Union, and while the

union was and still is needed to counter the GREED of business owners, it too suffers from a form of GREED. Wanting too much and not willing to give in enough to keep the very same company they work for from going out of business is an example of GREED. We all saw some of this with the Auto Unions. General Motors, Ford, Chrysler, the GREED from both sides complicated and exacerbated the efforts being made to keep these Giants of industry from failing.

When I worked for a major telecommunications company I joined the union after watching one co-worker after another being forced to do things beyond the call of duty. Basically what I saw was management, not all but a few rotten ones, doctoring sales reports, looking the other way when sales people cheated customers and making up rules of conduct and discipline on the fly. Going along with these managers, meant being a team player. But that team player just handed management a rope that they would later hang them with when it was time to trim back the sales staff. If you weren't a team player you had better be a top producer. Everyone was measured against those cheaters, if you didn't match or better the cheaters numbers, then you were considered unproductive. So, if you wanted a career with that company, you joined the union.

Now I didn't want to join because what I saw was appalling to me. Salaried workers who made quota by mid-morning would play cards, putt-putt golf around the cubicles; work at their second job; do school work; sleep; dance and believe it or not I witnessed some of my co-workers having sex with each other in their cubicles: basically they did whatever they wanted; for the rest of the day. They too were exhibiting a version of GREED called "Extreme Self interest". This company, which was the search engine of yesteryear, was making lots of money and the union was strong, so nothing changed. In the early 1990's, the company and the industry had hit its apex; the life cycle for directory advertising was about to begin it's descend. GREED along with corporate bureaucracy probably prevented this company from becoming the Google of today.

This short-sided view of the bigger picture is what happened with the Real Estate market from 1999 to 2006. The market flew up and nobody thought about the consequences of over inflated housing prices. The money was too easy to make and we all drank up and enjoyed the cups of extreme self interest flavored GREED.

Now, I'm not a greed basher. Sometimes to level the playing field an acceptable amount of self indulgence, hunger and voracity is required. I believe in capitalism with fair and simple rules, unlike the extreme version of what we've experienced over the last decade. Whether it be gargantuan pharmaceutical companies making billions of dollars off the wellness or illness of our citizens, food distributor conglomerates monopolizing farming to the point they produce and sell us poison to eat or giant investment companies racking in billions from loans that cause people to lose their homes, this type of GREED is unacceptable. It's morally wrong to throw hard working, good solid citizens out into the streets. It's systemically wrong as well because running a scheme such as this will ultimately collapse our economic structure and threaten the foundation of its existence, making recovery and the American Dream impossible to achieve.

Chapter One

The Modern Day Robin Hood.

Well, if you've heard the story, you know that Robin Hood takes from the rich and gives to the poor. When it comes to real estate in South Florida, Luis Valdeon has made a reputation of doing something similar. For several years he has been seen as a hero because of his ability to help families reclaim their homes. After years of doing this he was discovered and featured on a story called "Home Sweet Home Again" which aired in South Florida on WSVN, a NBC local affiliate. Other local affiliates began to write stories about him. He was written up in the Miami Herald and at the time of the writing of this book, contacted by "El Show de Cristina" a very popular show on Univision, and CNN's Larry Kings show. His take from the greedy and give back to the disadvantaged style puts him in the same light as the Hero of the famous fable.



When I first approached him about writing this book, I wasn't sure if he would like the idea of revealing the untold secrets of buying and selling foreclosures. I figured he'd want to educate and help those people who are facing foreclosure, a passion of his that he is always eager to talk about. However, what really got him to smile was my suggestion of doing a "tell all" book. "Oh, this should piss a few people off!" He laughingly said while extending his hand to shake mine in agreement. "Let's do it, and we'll split it 50%-50%", much in the same way he has done in every deal. He's old

school, a "my word is my bond" kind of a guy, we shake hands, and we have a contract. This form of verbal agreement can make a newer school guy, nervous. Nevertheless, I've done several deals with Luis over the years in this fashion, and I like old school.

During dinner at a favorite Sushi Café Restaurant a young African American child came waltzing in selling M&M's to collect for a school project. The young fellow was behind me, out of my line of sight yet I heard him announce his intentions. I turned around and noticed everyone in the restaurant had turned away, ignoring his nervous yet spirited sales pitch. I turned back around to get my wallet, but before I had a chance Luis had his money out; "How much for the M&M's...How many you have left?" The kid turned over a container and poured out six large bags of candy. "OK I'll buy what you have left." Luis handed over the money. The kid appeared to be in shock and briskly made his way towards the door. His father stuck his head in and thanked Luis. He continued with his meal as my wife and I commented on what we had just witnessed. Luis looked at us and said, "I was that kid, once upon a time, I see guys like him and ... something inside of me ...

people helped me ... it's my way of paying back. Besides, a couple bucks to me is worth much more to him. I'm happy to help!" Moments later after kicking around some ideas for this book, the owner of the restaurant told Luis how wonderful it was to have him in his establishment. He mentioned that he had seen the newscast about all the people that Luis had helped. "Its guys like you, Luis that will help fix this foreclosure crisis." After dinner the owner and Luis encouraged me to sing karaoke. It's something I enjoy, so off I went. Meanwhile Luis paid for dinner, but tried to convince my wife and me that the Owner had picked up the tab. As we left the owner said; "Hey, don't forget your M&M's" Luis smiled back and said "Give them out to your customers" It's the way he is. To know his story is to understand why.

Luis was born in Cuba and in 1971 while still a young kid, he came to the USA. The



picture here is the first home he lived in, a small shotgun style house. There is where his humble life would seed and eventually flourish. He keeps the original Polaroid of this house taped to his file cabinet, where he keeps every deal he makes. He sees the house in that photo every time he files away one of his hundreds, if not now thousands, of deals he has made over the past twenty years. On top of the file cabinet and above the photo is the first dollar he made for cutting grass. It's an Eisenhower Coin protected by alligator teeth. Both items serve as visual reminders of where he has come from. That large old coin was his first step on his journey to becoming a millionaire. A Cuban immigrant who mowed lawns, worked at fast food joints, labored in construction and did whatever, he needed to do to get ahead. He never went to college, but he learned everything he knows from the school of hard knocks. I'm not kidding about

the knocks. He literally has scars to prove it and photos along with police reports to match.

By 1992 Luis had become a master in remodeling and construction. With this skill he was just an investor away from forever changing his life. He had a vision and plenty of skill to obtain his goal. The only thing slowing him down was a lack of money to fund his dream. Eventually, he found someone and soon after impressing this person with his skill, Luis worked out an arrangement. His new friend would put up the money, and he'd do all the work. They'd sell the home and split the profits 50%-50%. Luis jumped on the project and a few days later his partner came to check on the progress. His partner called him sounding concerned and slightly troubled. He remembered the address and what the house originally looked liked but was unable to find it. Well, Luis had fixed up the place so

nicely that his friend didn't recognize the house. His friend was not only amazed, but now he was convinced that they should be partners.

Luis had learned that the best deals for buying his investment properties could be found at a mortgage foreclosure auction. He was entering into a bidding arena with many veterans, sharks and wise investors. Here there were big time buyers and smaller ones; inexperienced and wily old investors as well. Just like in the wild, the small creatures get whatever the bigger ones leave behind, its survival of the fittest. So, he started small time in the courthouse buying properties with hopes of eventually of becoming a big time buyer. In south Florida's foreclosure world the big timers don't like competition. If you try to move up into their world, they will do what they need to do to keep you from the best investments. Despite their tactics, which included warnings and verbal threats, Luis stepped into their arena. One day a big time buyer told Luis not to bid on a particular property. Despite the warning, Luis not only bid against him, he bought the property that the big investor wanted. When the guy approached him afterwards Luis laughed in his face and said, "Better luck next time" The guy didn't find it funny and threatened Luis in the court room then he became physically aggressive. Pushing led to Chairs flying and Luis

ended up with 18 stitches, while two of the three that jumped him ended up in the hospital. Luis showed the Big Dog Investors that he could play with the Big Boys. That was in 2002, pictures on this page and a copy of the police report documents the incident. When you talk to him about the incident today he smiles and says, "I'm the reason they no longer have chairs in



that courtroom"

MIAMI-POLICE DEPARTMENT
400 N.W. 2ND AVE.
MIAMI, FLORIDA 33136

A Police Report was made by Officer PARKER
on (date) 4/25/02 Case Number is 11513542

Please refer to this case number when reporting additional information or requesting information. To add additional information contact:
MIAMI POLICE DEPARTMENT

Emergency	PATROL OFFICES	911
North District, 1000 N.W. 62nd St.	795-2300	
Central District, 400 N.W. 2nd Ave.	579-6540	
South District, 2200 W. Flagler St.	643-7160	
Auto Theft	579-6545	
Homicide	579-6530	
Fraud & Forgery	579-6560	
Crime Prevention	579-6560	
Property	579-6455	
Records	579-6477	
State Attorney	547-0100	
BURGLARY & ROBBERY INVESTIGATIONS		
North District, 1000 N.W. 62nd St.	795-2317	
Central District, 400 N.W. 2nd Ave.	579-6500	
South District, 2200 W. Flagler St.	643-7174	
You can obtain a copy of the Police Report at: The Miami Police Records Unit 7 days after the report was taken, the report fee is	\$1.00	
CRIME WATCH		
Are you interested in fighting crime? What can you do about it? Now is the time for you to get involved in the fight against crime. There is a Crime Watch Program in your area. If interested please call 579-6108 for further information.		
POLICE/CR178 Rev. 01/95		

Sometime later some of the original Big Investors and a group of regulars formed a syndicate. It started as a kind of "investment" club to maximize profits. It's an Idea that anyone that's ever routinely bought at auction has considered. I know it crossed my mind the first few times I went as an observer. The idea is this. If you know all the real players in the auction, perhaps deals can be made on properties before they go up for sale. This would maximize profit potential. It would work like this. Each investor picks out the property they want and a mini auction then takes place. The properties are, in effect, bought before the actual auction takes place, with the winner owning the rights

to the property at the auction. All other club members would agree not to bid against the one holding these rights. So rather than running the bids up, the bids would stay low and properties could be bought at very low prices. Everyone has to be in agreement, each person gets either their own property or a piece of a property. Each of the “Club” members would invest an equal portion, split all the expenses and share in the profits. Sounds like a smart way for everyone to make money, but the problem with this is that it’s illegal. This is a form of price fixing or collusion.

However, what I later discovered was that my fantasy had actually been real and to this day the players in this “Club” still participate in collusion in some way, shape or form. The big players and several of the regular investors not only formed this syndicate, but they took it to another level. While bidding by “Club” members had a preset order, those bidders outside of the club would make the plan harder to pull off. So more sinister and devious methods were developed and set into play. Various tricks and scams including scare tactics, threats and other dirty games were pulled on non-members. The group was large with enough money to win a bid and then forfeit their deposit. This was done in an effort to discourage others.

For example, let’s say you had a couple hundred thousand dollars and a small team ready to get into this business. You do your homework; find a few properties to bid on and when the right case number is called you begin bidding. Other people begin bidding as well and the competition begins. The “Club” Member begins by minimally increasing the bids while the rest of the club members go to work to help their fellow member win. The club participates in any number of tricks from shouting over you and other Non-members to lying about the property to encourage you to stop bidding. You will be the target of these and other shenanigans. The syndicate members are sly, convincing and come across in a helpful manner. They’ll follow up with things like: It’s a good thing you didn’t buy that money pit, the guy who bought that is a sucker. They smile and tell you they don’t want you to lose your money! In reality, it’s a LIE!

The guy with the winning bid is a Club member and they would do the same for any of their fellow “Club” Members. The truth is they don’t want you messing with what they want. In other words, they lie in order to protect their members’ interest. If that doesn’t work, scare tactics from a bully may be tried. For the really stubborn, their famous, run them over to run them out tactic usually ends up working. This works by bidding higher than the outsider bid. They run the bid price up beyond the profit margin. In other words, the only way for you to profit with your purchase is to wait for the equity in the property to grow with appreciation. Your money is tied up in a bad investment, taking you out of the game. The “Club” member holding the rights might let it go to the outsider knowing they can’t make money on the deal. Otherwise they take it from them, leaving the outsider discouraged. After a few rounds of losing this way most people will move on and never return to future auctions.

So what happens to the overpriced property that the “Club” member paid for? They either agree to lose the deposit, calling it the price of doing business and the cost of being a member or they may try and have the sale voided. They may have their attorney look for ways to get out of the deal. You and any other non-member may watch deals repeatedly taken from the general public, until you either play ball and settle for the left over’s, join the “Club” or quit. Just wanting to be in the “Club” doesn’t get you in either. You need to bring something more than a desire to make money to the table for them to be interested. In the meantime, the “Club” loses a few deposits and those losses are split up by its members.

Let’s puts some real numbers to this scenario. Let’s say there is a home that has a true market value of \$300,000. You’ve studied a CMA or comparative market analysis. You know recent sales of comparable homes and conclude that it is the right number. You find that the house has a first mortgage judgment of \$125,000 with a \$150,000 second mortgage. Knowing the judgment is on the first mortgage, you understand that the second will be wiped out. The dollar signs roll around in your head. You’ve seen the house listed for sale on the MLS asking \$375,000; You’ve checked it out, even considered buying via a Real Estate agent, but because you’ve done your homework, you know you can get it at auction for as little as the judgment. The owner has to pay both the first and second mortgage and owes money to an ex-wife, so he wouldn’t sell cheaper than the asking price. So far, things are looking good. You know at a fire sale you can flip that house for \$250,000 and probably get close to the \$300,000 without putting a dime into the place. So when the bidding begins, you shout \$100, someone from the club shouts \$200, the bank says \$300...on and on it goes...Once you get to \$125,000 the bank stops bidding. Now it’s you and other bidders and the Club. A “club” member may then walk over and show you a message to encourage you to stop bidding. They may whisper in your ear that the other guy bidding holds the first mortgage, and that you are bidding on a second or any number of lies to get you to stop. You are wiser than the average new investor so you don’t fall for the tactic and the bidding continues. The other non-members stop at \$225,000, you keep going and so does the club. You hit \$250,000 with a bid deciding that you’ll try selling it for \$300,000, so there is still \$50,000 of equity left. The Club knows the same numbers and probably knows more about the property than you do. They may know that there is an IRS lean for \$75,000 against the property. The club may stop at \$285,000 leaving you to believe that there’s \$15,000 in equity, to work with, and if you sell fast, say in a month or two, you’ll make out ok. You figure \$15,000 for little more than waiting a month or two to get your original investment back is a great return. However, in reality, you’ll owe the \$75,000 to Uncle Sam and instead of being up \$15,000 your upside down \$60,000. A financial



mistake of that magnitude with your first investment could wipe you out by putting you into great debt. In that scenario, you would eliminate yourself as a possible competitor making the "Club" happier and richer. If there are no hidden leans, the syndicate may continue bidding over \$300,000, taking you beyond your stopping point. You are left looking at the winning bidder convinced they were foolish for paying so much. All the while that crazy guy wears a half smile on his face as he hands over a little over \$15,000 to the clerk as a deposit. You'll leave the auction scratching your head believing an idiot bought your ideal property. However, while you are home wondering if you should ever go back, the "club" will not pay the balance due. There are willing to lose their deposit. They'll patiently wait for that particular property to run through the cycle and buy it when it comes up for sale again. Except at that time they most likely won't have you to contend with, leaving them to buy it at just over \$125,000. As you can see, if they can get away with this, losing \$15,000 is worth it, in a big way. They then flip it at a fire sale quickly for \$250,000 making \$125,000 subtract the \$15,000 deposit lost when you were there, still leaving a nice \$110,000 profit.

However, that's just one of many situations that are possible. The "Club" may have already contacted the home owner with a prearranged agreement. Like a deal for the surplus plus \$30,000 which will be covered by a new mortgage taken out by a family member with good credit. Alternatively, they may have contacted the second mortgage company and taken control of it, giving them an inside track to deal with the first mortgage. There are lots of things that could be going on that you are unaware of, I'll explain that further in a later chapter called "Believe half of what you see and none of what you hear".

Without the club, the members would be bidding against each other, cutting into each other's profit margin. As everyone knows in this business, you make the deal when you buy, rather than when you sell. Real estate is historically an appreciating commodity. If you hold it long enough, you'll eventually in almost every case make money, even so, how fast and how much you'll make is determined by how much you pay. To this day,

you'll find former and current members of this "Club". The syndicate still survives and thrives. However, recent changes and the new on-line bidding system put in place in Miami-Dade County makes most of the practices of the syndicate nearly impossible. As for all other States and Counties not yet on-line the tactic scams and tricks are being played out in a variety of ways.

Luis was approached and encouraged to join the "Club" but he refused. And with his answer, came a new game. It took him years to get to be a big player, but with the group of big and mid-size players forming a "Club" with millions to invest,



Luis was once again on the outside. He had to look for friends and new investment partners to help level the playing field, but what helped to tilt the field more towards Luis's side was his genius. Because the syndicate had many members, they had to play by a defined set of rules. Like any complex organization, in order to have it run smoothly, a solid game plan is needed. They have to do high volume in order to keep everyone happy. So they don't have time to dream up new ways to do things better, while Luis, on the other hand, was forced to think outside the box. He developed strategies and methods to be more efficient in order to be competitive. He found some investors, guys with money that for lack of a better word were intolerable and almost impossible to deal with. He put up with the second by second phone calls and pressures put on him by slave-driver types. He even had one investment partner cheat him out of a fantastic deal by pulling on his heart-strings.

In this case, a woman partnered with him on a 50-50 deal. To get more investors Luis sweetened the deal. Instead of 100%, the investor only needed to put up 70% Luis would put up the other 30% of the money. He still did all the work. Together they bought an incredible house well below value. After he fixed up the place, she told him that she loved the house and wanted to move into it herself. She told him a sob story about her lifelong dream to live in such a beautiful home. Believing her, he agreed to be reimbursed for his investment and expense of the remodel. He broke even. She turned around and sold it and made over \$300,000 in profit. Rightfully, Luis should have made half of that profit, but she left him out with her little lie. He would have included her in many more deals had she not used him. I guess for some an extra \$150,000 is enough to make you do stupid things. This is only one example of many, including problems with other female investors who've tried seduction and blackmail to steal from Luis.

Those bad experiences are valued lessons that could never be learned from college, a program or book. They help build the character and the wisdom needed for Luis to make his climb towards fortunes. At the time of my interview, Luis solely or partly owned over 40 homes, everyone bigger and better than that first home he grew up in. Believe it or not, he told me, he was low on inventory. He was planning on buying quite a few properties in the coming week. He showed me a room filled with stacked boxes and in those boxes were the files of every deal he had ever done, since he started in 1992. He showed me his first deal. It was \$14,000 on a flip after four or five months of hard work. He was eager to show me and told me how excited he was to see a check that size. It was hard for me to understand his excitement knowing the size of the checks he sees coming in nearly every day, especially when I was sitting in his Home office, which is attached to a wonderful Two-story mansion of a home filled with opulent furnishings worth many times more than that first check.

His beautiful pristine and ornate home is decorated with large statues and museum quality decor with marble floors and ultra high ceilings. It's one of those homes where everything looks priceless, and what he told me he has spent on some of those things, well for the average Joe, it might as well be priceless. His yard is twice the size of most in the

neighborhood, which is an upper scale Million dollar area. He could afford to live anywhere he wanted, but his home is extremely well located so he can be anywhere in the county in a half hour or less. His large lot has an attached lot in the back where his in-laws have another home. This mini compound has two beautiful homes, Swimming Pool, Jacuzzi, Pool Table, Two Fishing Boats, Several Cars, Trucks and a three roomed home office where the owner, who has millions in the bank and scars on his face, covets a faded old Polaroid of a run-down shack of a home that reminds him every day of where he is from.

My wife and I met Luis at the Miami-Dade Foreclosure Sale. (I'll tell you the rest of that story in a later chapter.) In one of our first meetings with him, we told him of our dream to contact people who were in danger of losing their homes and finding ways to keep them in their homes. We even formed a company called American Dreams Savers to, as the name implies, save people from losing their American Dream of home ownership. We told him we had some money to invest, that we could find some properties via the MLS but were hoping he'd be willing to consider partnering with us on a few deals and show us



the ropes. We were interested in his terms, what he would charge for such a valuable lesson? That's when he realized that we weren't interested in just making money, but doing the right thing. He went on to tell us story after story of what he tries to do with each and every property he buys at auction. You see, once a property is bought at auction, the first thing the new owner needs, wants and attempts to do is evict the previous owner.

Eviction! There are several steps in acquiring a home via a foreclosure sale and this was the part we (my wife and I) dreaded the most. Who wants to throw a family out on the streets? I knew personally I couldn't do it. There

are people that you can hire to provide that service but Luis seldom has to resort to that, at least not the way most of the investors go about eviction. As I learned firsthand with him is that his first attempt isn't to throw anyone out of their home. He works with the previous homeowner and tries to work out an arrangement that will benefit everyone.

Compared to his competition, Robin Hood is a non-specialist, specialist, providing a full range of services. Some guys buy, remodel and rent or sell the property. Some guys specialize in areas and or property types. Some guys are strictly investors and then hire eviction specialists, contractors and agents to do the rest. Others only want to buy condos; another guy only buys open, cleared land or duplexes! There are a couple of contractors who buy two maybe three properties a year, and then they pour lots of money in the remodel hoping to sell for a big increase. There are buyers that are strictly wholesalers and buyers who only buy from wholesalers. It seems that most everyone in this business limits themselves to specific genres. Most of them wouldn't attempt to work with a previous owner. But Robin Hood does and when that doesn't work out Luis has the

experience to do whatever else is required to turn a profit. While other investors specialize in an area or type of property, this modern day Robin Hood employs a different strategy. If he or his partners want a Condo or an open lot, he bids on it. He buys it, puts money into it, fixes it and sells it. He really does it all because Luis specializes in good deals.

The goal is to get it done as quickly as possible. Rotating money is the key to the business. Knowing what to buy and what you can get for it is the knowledge they bank on, but, even if they guess wrong the key is still to get in and out fast. At any one time Luis will be working on twenty to thirty or more properties at once, some are ours, some are his alone and others are with other partners. Each deal has a number, it's the equity, the profit and every property has one.

Every person in this business has a number. The ones that stick to that number survive and can make a nice living flipping houses and or buying, keeping and renting. The ones who play with that number or change it end up losing and have to move on to another profession. Depending on your turnaround time or your investment model, that number is between \$20,000 and \$50,000, with \$30,000 being the average make and break point for the real players that are bidding. If you have a well oiled flipping machine, your number can be lower than your competition. The veterans in the auction room, the ones who've been doing it for years and years, all have a number. They tend to know everyone else's number as well. So, the games begin. I'll cover the games in a later chapter, but now I mention the number to give you an idea of what Luis could be doing each year. In a year Luis will do 100 to 250 deals.



Luis is unique in a Robin Hood kind of way. His first move before or after a home goes to auction is to make contact with the owner of the distressed property. He tells them up front what is about to happen and works to find a solution. He remains in contact with them and tries to work with a number that will work for both a new mortgage investor and the home owner. If the property goes up for auction Luis buys it, then restructures a new mortgage. Typically the new deal is much less than their previous deal. The distressed home owner now has a payment they can afford. Often, well below what they were paying before and Luis makes a little money for his efforts. He takes from the bank the over-priced, over-valued home, and returns it back to the home owner at a fair price. Luis really works with each person on a case by case basis. He has been known to trade rather than exchange money. Recently, he bartered for a piece of land that was home to a few avocado trees.

Now, while Luis tries to use the Robin Hood method with most properties he's acquired, there are times it doesn't work out. Abandoned homes and non-qualified cases happen more

Order the Book \$ 14.95 + Shipping
ORDER NOW ...305-222-0419

Two Books In One

Whether you are facing foreclosure or looking at foreclosure properties as a way to buy real estate for income, investment or homestead this is the book for you. This book tells you the secrets of both sides of foreclosure.

FACING FORECLOSURE?

The True Story told in Foreclosure Secrets to Success is about a master in the foreclosure business; a man who takes from the banks and gives to the people. He has come to be known in South Florida as Robin Hood; In this book he provides the information that gives you the best chance to keep your home, while drastically reducing your mortgage payments. With this book your foreclosure story can end Happily Ever After!.

BUYING FORECLOSED PROPERTY?

Do you want to buy Real Estate at 20 cents on the dollar? It's not only possible it's happening as 2010 begins Foreclosure Secrets to Success contains the secrets that those in the business of foreclosure practice. Complete with frank and shocking facts about what really goes on at a Mortgage Foreclosure sale. Not smoke and mirrored promises or exaggerated possibilities as with other how to books, CD's and DVD's. This book provides you with and prepares you for the real truth! Read and learn what, where, when, how and most importantly who you need to know to get the very best deals.

**Order the Book \$ 14.95 + Shipping
ORDER NOW ...305-222-0419**

