



**The Art of Passive Income Podcast
With Mark Podolsky, AKA The Land Geek**

Mark talks with: Erik Peterson - LandOpia.com, Aaron Williams – BearLandProperty.com, Mimi Schmidt and Jeannie Morem on the Land Geek Round Table

Transcript

Mark: Hey it's Mark Podolsky the Land Geek with your favorite nichey real estate website www.TheLandGeek.com and on this week's Round Table Podcast honoring us with his presence the irascible Erik no nickname Peterson. Erik, how are you?

Erik: I'm doing great. Glad to be here.

Mark: I think your nickname is going to be irascible.

Erik: It sounds that way. I think it's been three, four weeks in a row now.

Mark: Yeah, I just think it's completely wrong but it's just fun to say the word. We've got Jeannie Morem back on the podcast. Hi Jeannie.

Jeannie: Hi.

Mark: How are you?

Jeannie: Great, honored to be back.

Mark: So glad to have you back. We've got the Bear Land. We should actually have like grrr go off when we announce Bear Land Aaron. Bear Land Aaron, how are you?

Aaron: Grrr. Doing pretty good.

Mark: Then, of course, we've got the terrorist hunter herself, Mimi Schmidt. Mimi, welcome back to the Round Table, how are you?

Mimi: I'm doing great. Thanks for having me.

Mark: Alright, well let's just get into it because we've got a great topic to start the Round Table and Jeannie Morem you want to just kind of lead us into it?

Jeannie: Sure. So as we all know you know mailing is most important and marketing. No, I'm back in mailing but what's happening is I'm getting voicemails and I'm getting very angry hate mails. So, for example, they're telling me to fuck off and I don't know if you have to bleep that part but they're nasty and they are telling me I'm insulting their intelligence. So I'm trying to stay positive through all that.

Mark: Okay. So when you do get the hate what is your initial reaction?

Jeannie: Mine?

Mark: Uh-huh.

Jeannie: I'm kind of offended for a second, for a second. But I've been doing it long enough that I know I'm doing something right if they're responding to me. So I actually turn it around look at it positively. But another thing I do, I don't know if this is the proper way but now I'm letting the phone calls go to voicemail so I don't have to sit and argue or debate on the phone which makes it a lot easier. Then if there's any way I can negotiate with them I'll call them back.

Mark: Yeah, yeah I mean this is really why we set up our intake process the way that we did using the Ring Central and Zapier so that we could literally qualify that seller. Are they confused with the offer? Do they like the offer or they just want to call us to yell at us? So it's been a really good process just to do that. Erik Peterson what about you? What are some of the recent hate you've been receiving?

Erik: Well, first of all, I'm like Jeannie, you know basically I let all those calls go to voicemail. On occasion, I will pick one up and typically it goes okay but if they're upset I mean and you do happen to pick it up I just try to calm them down and let them know you know what? It's a piece of paper in your mailbox like it's nothing to get upset about if you don't like it throw it away. You're not going to hurt my feelings and I try to talk them down and you know speak rationally and just calm them down. But the best ones are the ones that leave you a voicemail and they act completely normal on the voicemail and then you call them back and get them on the phone and what did they want to do? They want to yell at you about that offer, right? So they're there the sneaky ones trying to trick into calling them back.

But I've had some really interesting responses. Probably one of the most interesting was, I don't know it was some time ago probably a couple of years ago now. I went to my mailbox to get the mail and get this nice little envelope open it up you know thinking what offer is going to be in here? You know what accepted offer, where I'm I buying property today? It was full of ashes. They burned my purchase agreement and sent it back to me in the mail. So that was a fun story.

Mark: Oh wow that's huge. Bear Land Aaron how about you? How do you deal with it?

Aaron: I don't deal with it too often I mean we definitely do let them go to voicemail first. Sometimes it's in an email or a fax. You know I've had one. Luckily I think the worst one I've had was just somebody that scribbled across the whole page F-O-C-K you.

Mark: Fock you?

Aaron: Fock you. They were upset but not upset but not upset enough to cuss right you know or something I don't know.

Erik: Maybe they weren't quite sure how to spell it.

Aaron: That's possible too.

Mark: Or they love "Meet the Fockers".

Aaron: But no I mean you know sometimes you can tell somebody is mad on the voicemail that sort of thing. Just really I haven't had any in a long time so that makes me believe that I'm offering them too much. But I generally if they're just super mad I don't even call back because they're just calling to vent. I'm not like saying you know where I make a game of

trying to turn them around because I don't know if I really want to bother. It's just not my personality to do that but yeah generally we just filter them out and move on.

Mark: Yeah, yeah. Mimi Schmidt, what do you do?

Mimi: My acquisitions manager has to deal with that, but honestly I don't get many of them. I only had one. The person wasn't mad about the offer. The person called to insult my name. So the guy he accepted the offer, he put a down payment on it, he told me to go ahead and put together two ... He wanted to buy two properties and then he emails me back and he's like, "I'm going to have my agent call you." The agent calls me, "Hi this is Mimi Part N Parcel Properties." I knew from the number who it was. He said, "What kind name is Mimi?" He got personal with it and I had a really hard time managing my anger with that one. I have learned my lesson that it's just not worth it. I should have actually just ended the phone call after I realized I wasn't going to get anywhere and I fired the guy. I fired the buyer.

I never really fired the buyer on the call but because the agent I think agent felt threatened that us investors were invading their turf and so it was it was personal. It wasn't just the offer amount, you know what I mean? Different type of situation but because it was personally it bothered me a lot more than I just need to cancel that conversation when I get people who are mean on the phone and just end that transaction whether it's a buyer or seller situation end the transaction. There are too many other transactions to have.

Mark: You didn't pull the do you know who I am? Do you know my full-time job?

Mimi: I did. I said I actually have top secret security clearance. I'm a completely trustable person, right? I work for the Department of Defense. I had said that to the guy who wanted to buy the properties for me and he told the agent the agent said, "Well that's suspect." I just thought, "The military is suspect?" I mean it was just really odd. So yeah I learned my lesson.

Mark: Yeah. You have been like, "You know what? Go outside your window right now and watch the circling drone and then call me suspect."

Mimi: Those are the times you wish you can.

Mark: So I'll tell you know when I first started I dealt with so much hate and I almost became immune to it. Now I have the acquisition manager but what I would do is I would start to classify people as angry, crazy, and then angry, crazy, and super mean, right? So the angry ones I would actually take the time and try to convert. The way that I would do is I had younger kids at the time. So the first thing I would do is a pattern interrupt so they wouldn't think I was a telemarketer. So I would yell at my son before like I even start talking to them.

Like they say hello, I'm like "Noah, put that toy down. Then I'd say, "I'm so sorry. My son's is three years old and looks like he's about to have a choking accident. Anyways hey it's Mark Podolsky with Frontier Properties. I received your voicemail and I totally understand why you're angry about the offer. You must have done some type of improvement. Did you drop a well or did you add power? Because oftentimes I don't know that and your neighbors are actually selling for that price so I am so sorry. What improvements have you made and I can adjust my offer?" Silence. "Well I haven't made any improvements." "Oh you haven't? Okay, so why do you think that the price should be XYZ? I'm just curious." They are like, "Well I don't know what the price should be I just know what I paid for it." I'm like, "Oh okay."

Then I'm like, "Yeah I totally get it. Nobody likes losing money. But this is what I call a sunk cost. Then I go through my whole thing about, "My grandfather was building a building and we all thought we were going to be millionaires but it turned out \$100,000 he invested in the area the ground was faulty, right? So it was a sunk cost but instead of just losing 100,000 my grandfather kept building and trying to make corrections and fix the foundation. It was a bad foundation and he ended up spending about a half million dollars and to this day now I have to work even though we thought we wouldn't have to. So this happens a lot, right? The market turns on us. We keep paying our taxes. I'm like, "You can keep paying the taxes on it for the next 10 years. I get it and then call me back again and hope that the price has gone up. Then eventually like they're like, "Okay fine will you take ..." Then you start negotiating. But you know that would be my sort of MO on doing that.

The other thing was if they were crazy and crazy angry like I had somebody wish me ass cancer. That was a fun one. I've had people leave voicemails so like you know unbelievably just crazy and like I mean I should actually start our separate website of just their voicemails of things that I should be doing to their body parts or their animal body parts. I mean just so angry I'm like, "Just throw the offer out." So those people don't really deserve a response. But I do think that if they're just angry there is a way to turn them around. What do you think Mimi?

Mimi: I think that strategy is brilliant. I think that's actually brilliant, talking about the kid it kind of humanizes you, right?

Mark: Right.

Mimi: Then, "Oh I'm sure I'm misunderstood," right? When you apologize first that's always disarming to folks.

Mark: Yeah absolutely. I took responsibility right away and I empathize with them like, "I feel angry too if I spend \$30,000 on a well and I put in power and I made all these improvements and I got this terrible lowball offer. Totally get it. What improvements have you made?"

Mimi: It's perfect.

Mark: Yeah. Bear Land Aaron what about you?

Aaron: I love it. I mean I'm definitely going to start doing something like that on the angry ones.

Mark: The angry ones

Aaron: You know you've talked about crazy and mean though. I know what you're talking about and the scary thing is those people are driving around in traffic with us too.

Mark: No absolutely that's why especially out here we don't honk because of the road rage we are like the "Okay." How about you Jeannie?

Jeannie: I love it. I think the reason that they're angry is because they're afraid and they don't trust you yet. So what you did is you're gaining their trust by calling them back and building a relationship with them and I have found that as well. You know a couple of my calls we have called back and I've actually bought their land because they trusted us and again they are scared because they did pay more, the area I'm in they did pay more. It's embarrassing how much I'm offering and how much they paid. I mean they paid some of them \$7000 to \$8000 per property and I'm offering less than a thousand. So they're pissed and they are not pissed at me or mad I should say mad they are just mad the situation and they want their money that they invested and they're not going to get it.

Mark: Yeah and you can always say look you can take that tax write off against a gain on your taxes so you're not going to feel it as much. So take

that \$6000 loss towards a \$6000 gain on another investment and have it just even out on the taxes. Irascible Erik Peterson, what do you do? How do you like that strategy?

Erik: I think it's great. I think you made some great points about different ways to kind of turn people around. You know I think when I have had those conversations in the past it's been very similar in approach starting with the apology and trying to understand where they're coming from before trying to defend a certain price or something that you're offering. So I think that's definitely a good tactic to use if you're out there looking to kind of resolve some of those issues that come up from the mailing.

Mark: Yeah absolutely. I mean it also sort of illustrates the mental health aspect of our country. Like Bear Land Aaron is saying we're living with these people. Mimi is like, "Yeah absolutely." So I think maybe a new nonprofit should be Prozac in the workplace and just have like Prozac sort of dispensers. You are having a tough day? Just pop it, right? Take the edge off or you know wine Wednesdays every day like you just come in ...

Mimi: I'm up for that one. Sign me up for that one.

Mark: Yeah, yeah. Like you're having a tough day? Here a glass of Chardonnay, Mimi just take 20 minutes. No worries.

Mimi: I'm on my own business. I can do that now.

Mark: You see, exactly.

Jeannie: They even sell wine in cans now so.

Mark: Right. I do want just to mention to the listeners that this podcast is not sponsored by Prozac or any kind of wine company. I am certainly not suggesting that any of you become raging alcoholics.

Aaron: Or mix the two.

Mark: Yeah, right, yeah.. See a licensed professional. Anyways let's move on to the next subject. Mimi Schmidt, tell us what's going on with you and county taxes.

Mimi: So I knew I had a couple of lots I had to follow up on to pay their taxes and I got some money in the bank, went out to the website today to do a little online tax paying and there was this big red blurb across the top of my property that said that the payments have been turned off on the

website and that my property was going to have a tax certificate sold for it. My stress level went through the roof and so I learned about this particular property that I need to pay the taxes by May 31st or they are going to issue a tax certificate. So next year I don't know. I think it's going to hike up the price three of my properties this past year taxes a hundred bucks. So I paid 2016 are the ones that I had owned at the time. So yeah I'll be better next year about knowing that. Of course, I know when there are due in each county but I need to know more of the specifics. You know sometimes I'd like for the taxes to go unpaid to see what kind of offers I get from other investors in the area, right? That's a great idea to see what the other people are offering sellers. So yeah I won't do that past May 31st in that particular county next year.

Mark: Yeah you know another strategy Mimi is if you just bought it, right? You can do the overage strategy where if it's going to go to auction let's say that you pay the \$1,000 for property and it sells for \$4000 at auction because of the back taxes there's now a \$3000 overage which has to go to you. So you've just made your turn without having to do anything. So it is a strategy that you could employ.

The problem is it depends on the state. Sometimes it takes six months to get your money. Sometimes it takes a year to get your money. It's a whole different strategy. I don't love it because you don't have total control, but it is something that you could also look at. Worst case is, okay, I'm not going to lose my money on this property I might lose the property but I could always apply for the overage from the county. The counties won't tell you about the overage laws, right? Because if you don't apply for it they keep all the money.

Mimi: This county does both. So the tax certificate so [00:19:02] [indiscernible] tax certificate and make money off me willing to pay the taxes then if you go three years then they can actually sell it in terms of tax deed so they check that out.

Mark: Yeah. Bear Land Aaron how do you avoid sort of this issue that Mimi just went through?

Aaron: Well just knowing when the taxes are due and when you buy property if it has tax liens on it make sure you know what the law is on how long you have it before those things go to tax sale and so forth. Because I will admit I made a mistake on a property we bought and the notices went to the person I bought it from and I never saw the notice that this property was going to be redeemed because the person that had the tax certificate for three years or something. I'd sold the property to somebody on terms

and they had made a significant number of payments or dollar amount of payments so far and I got a letter from the guy who had the tax certificate on it and said, "Hey I just want to let you know that I own this property now." That was a pretty scary moment because I didn't pay attention to all those things.

Luckily he was willing to sell me that property for you know kind of like let's say I'll tell you some numbers let's say I had bought the property for like \$2000, it had let's say \$1200 in back taxes and then I sold it for ten grand on terms. So I had some room in there. It wasn't too bad. He sold me back the property for like \$4000. He made some money. I spent more than I should have but I also didn't lose my payments. You know I didn't lose my terms. I made goodwill with my buyer who had bought two more properties from me after that because he knew I was the type of person that would make things right. Now I'm still getting the payments on that property and I'll still make money. Not as much as I would've but I'll still make money. So that's a pretty tragic mistake without any real financial loss. I mean I lost a little bit of capital buying it back but I also didn't have to pay the taxes because moneywise I still spend that money. But when I got it back it had a zero tax liability so that was a bonus I guess no penalties and stuff. So anyway that was a scary thing but I've learned to watch out for those things. You've got to know when those redemption periods and you got to know when the tax is due for your county and when you start to get properties you need some order in there, you need a way to figure like to be able to keep track of all that.

Mark: Right, right. Jeannie Morem is there a way let's just get granular with it are you doing this in your due diligence to know on the front end?

Jeannie: Yeah.

Mark: Okay.

Jeannie: Because I do everything myself I am not as far along as the rest of you guys here. So I'm doing it all myself. I'm not saying this is right either but when I do my due diligence I ask what the taxes are and I always pay everything right away. I'm selling them quickly so I probably wouldn't even need to pay the taxes that I just did. So I'm just doing everything along the way so I understand how to do everything. But my properties aren't as much as what you guys are paying for your properties so I can sell them quick and so I'm trying to speed it up and sell more and work myself up to properties that are costing thousands of dollars. So I haven't run into what Mimi and Aaron are talking about yet because I'm paying them in taxes

anyway right away.

Mark: Right, right. knowing Erik Peterson he probably has like a web scraper that automates when the taxes are due and puts it into a Google Sheet which then has a Zap which then alerts him via email which then goes filtered into a different email list which then alerts him via SMS. But I just am projecting his geeky-ness onto him. Erik what do you do?

Erik: Well I was just thinking about a system I need to build. I actually I don't have a real solid system in place for tracking the taxes. I kind of get all those bills and I just kind of keep them in one spot and then lump them together and make payments as needed. In the past, I have come across kind of like Mimi mentioned certain counties where there is a period of time where you're basically locked out of paying the taxes no matter what. I mean they don't care if you haven't paid them by that point you can't pay them for the next two months. I mean you can send them cash in the mail, you can send them a cashier's check whatever it is they're going to return it to you and not accept it until that time period has passed. So I remember when I ran into that I was very frustrated and tried to talk to the treasurer and say, "This is crazy. You know I want to give you your money. You won't accept it." But that's just how it is. So you've got to be aware of those kinds of things. Obviously, that doesn't happen in every county but in some places it does.

Mark: Yeah, I mean I feel like Mimi should start a new business called CountyTaxLaws.Mimi and then like we just know you know based on this county here's the redemption period, here's how long you have to pay your taxes before you lose the property, it's tax deed state, it's date tax liens state, it's a hybrid state, here's the treasurer and I think that would be a cool website.

Mimi: Yeah, I agree.

Mark: You're out of work but...

Mimi: I'm probably going to add it to my due diligence checklist. I mean I know when the taxes are due but when's the last time I can pay them before a tax certificate is put upon them on and then how many years can I go till a tax deed you know whether tax deed, tax certificate in a hybrid state.

Mark: Yeah. It would be good to know if you know what they're overage policy is as well. So it's not a bad idea actually.

Mimi: Yeah. That's a good idea.

Jeannie: I don't know if you guys to do this but I love working with my buyers and just building that relationship. So I send them everything that I have because I'm the one doing due diligence. So not only do I send them the deed but I send them the receipt of the taxes that I've paid. So I send up everything that I have and I'll tell you something Maybe that's why I've been doing great relationships with them because I'm so transparent to a fault I think. But I'd rather be that way.

Mark: Yeah I know. I think it's great Jeannie. You know it's so funny because I don't want to embarrass Erik but we were just talking about Erik Peterson on the last podcast. We had a guy who is an expert on referral marketing and his strategy is don't ask, don't be self-serving in any way. So if you have a contact then basically all you've got to do is send them a handwritten note or some type of G.L.U.E gift, Giving a Little Unexpected Extra that is actually very personal to them and you can go on Facebook and figure out what that might be, right? So if I wanted to get let's say Bear Land - Aaron a G.L.U.E gift I would get him something related to motorcycles and it would be really thoughtful. But what I would do that is avoid the Land Geek logo completely. It would just be a blank handwritten note not asking for anything.

Scott and I were saying you know who's an expert at this is Erik Peterson. Every year I get a handwritten note from Erik and he just expresses his gratitude. Matt said to us he's like think of all the contacts you have out of the 250, 300, 500, people you guys are both talking about one guy. That's how powerful it is. One year Erik got me like he knew I liked to juice. He got me a gift card to my favorite juice place. Like these little things and Erik was really cheap about it. I think it was it like five bucks but I still remember it, right? I'm just kidding Erik it was more than that but it was the thought that counts and what Jeanie is doing I think is really, really great as far as building her business to the next level because those people are going to refer her more business. She's not asking for it. She's just giving more than they expect. I think it's a really phenomenal strategy. So Jeannie if you added on to that a handwritten note thanking them I think even that would go really far as well.

Jeannie: You know I'm trying to Google the speaker's name but he's a very well known entrepreneur and his name has left me, but he's done the same thing Erik has done and he got a major contract with an NFL team with the coach. Everybody was trying to pitch in and he waited for the right moment and was kind of looking at what he liked on Facebook and it was like I think something like a coffee shop or something very simple and sent him

something from that coffee shop and that man called him back and he got like a 50 million dollar contract just doing something very simple like that. It was amazing.

Mark: Absolutely. Erik can you argue like that relationship now between Scott and I is worth way more than 50 million dollars, right?

Erik: Sure.

Mark: So Erik I mean how did you develop that strategy? Not that is a strategy you could just be you. But it is something that does differentiate you.

Erik: Yeah, I think it's just maybe a little bit of just who I am; my personality. You know I've always been I guess someone that likes to give people gifts that have made an impact on me in some way whether that's friends or family or whatever. The writing of cards and notes and stuff I actually I dislike doing that more than anything but my wife loves it when I write her a card. So I continue to try to get better and better at that and I guess it's just a combination of those two things. I think it's important to show people that you're thinking about them or that you value the relationship you have with them. Oftentimes you know a little note or a small gift of some sort may help communicate that.

Mark: Yeah absolutely and I don't think it works if you're Machiavellian about it. I think if you grow your heart you really authentically want to create joy in that person's life with the expectation of you're going to get nothing back that's even better than seeking out like writing Grant Cardone a handwritten note saying, "Hey I really love your stuff." Hoping that he says, "Hey why don't you go toward the world with me and let's buy land together and be my friend or whatever it is." So I think when you do it from that place it really multiplies the impact much more. But I want to thank you guys for being on this week's Round Table and hopefully, the listeners are getting value out of it. I don't know Mimi what you think? We covered a lot today.

Mimi: I gained value out of it. I learned some things.

Mark: Yeah. Bear Land Aaron, are we good?

Aaron: We're definitely good. I love. I hope everybody gets a lot of value from these because I know I do and it kind of gives me a little bit of pump for the rest of the week. So I really enjoyed doing it and hope everybody enjoys listening to them.

Mark: Yeah absolutely. Jeannie, are we good?

Jeannie: Yeah. Do you hear feedback from the listening audience?

Mark: You know I have to bribe them for it. So I ask them to subscribe, rate and review the podcast. Send a screenshot of that review to Support@TheLandGeek.com and we send them the *Passive Income Launch Kit* which is normally \$97 for free. So please do that and give us feedback if you're getting value and we'll give you even more.

Jeannie: Can I just shoot you an idea real quick?

Mark: Yeah.

Jeannie: It will be fun to give a shout out to our listeners that do give you feedback so we can hear what they're saying.

Mark: Now that would then be great and if you actually leave an Amazon review for the *Dirt Rich* book like you can get the Kindle book now for 2.99 but if you send me a screenshot of the review that you left on Amazon I'd love to send you a signed copy of the paperback as well. So send me just your address and let me show some appreciation for that because I love doing that kind of feedback and doing it. But I got a bribe, Jeannie. I like the bribe nothing wrong with it. But look people are busy if you don't do that they are like, "Oh whatever you know I'll get to it." So that's different. That's marketing versus like we were talking about earlier what Erik does. So I am expecting something in return but nothing wrong with marketing. We are always mailing and marketing right? It's the core. Erik Peterson, how about you. Are we good?

Erik: We're good.

Erik: All right. Well, I want to thank everybody I want to thank the listeners and are we going to do it. Are we going to be we're going to geek out on it?

Jeannie: Uh-huh.

Mark: One two three...

All: Let freedom ring.

Mark: Oh my gosh.

Jeannie: That was pretty bad.

Aaron: I didn't do it.

Jeannie: I think we missed our other guys.

Mimi: You didn't do it?

Aaron: Oh no, no, no, no.

Mark: He's in the sticks, Mimi. It is his internet so laggy. I wonder if we're going to get like hate from like please stop doing let freedom ring at the end.

Erik: Well now that you've said someone is going to have to put it in their review.

Mark: Right. "Love the podcast, hate the end of it." Thanks, everybody. All right, well thanks everyone and Jeannie hopefully I'll see you at Mavericks this week.

Jeannie: Yes.

Mark: Okay, this is my order now I'm getting a sugar free vanilla latte with the breakfast burrito which is super spicy so it cuts the spice with the latte and their gluten-free cookie. Have you had the cookie?

Jeannie: No.

Mark: It's crazy, really good.

Jeannie: I'm going then.

Mark: Yeah.

Erik: I don't think you can have a cookie for breakfast.

Mark: Why not? What about a lunch or dinner? We do that all the time. It doesn't have to be eaten for breakfast. I'm really letting myself go these days. I'm 47 I don't care anymore. I'm eating cookies and candy next you know what? At Scottsdale's Bootcamp literally, I'm going to look like Elvis right before he died and I'm so excited about it.

Mimi: You're going to wear a fancy leisure suit?

Mark: Oh Mimi. I'm in a suit so I'm getting like one of those big belt buckles that hide my big belly. I'm going to go out there and I'm like let freedom ring and just let it go.

Mimi: It's hard to visual right now the...

Mark: Yeah, yeah. So if you want to see me and my expanding waistline go to the LandGeek.com/Bootcamp and register for Bootcamp. Mimi is going be there, Jeannie is going to be there, Erik will be there. Bear Land - Aaron are you going to make it?

Aaron: Not making this one, next one.

Mark: Okay. So you guys will see. All right well thanks, everybody. See everybody next week.

Mimi: Thank you.

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