



THE LANDGEEK

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

Scott talks with: Erik Peterson - LandOpia.com, Tate Litchfield - FrontierPropertiesUSA.com, Aaron Williams – BearLandProperty.com, Scott Bossman - LandBosses.com, and Mimi Schmidt – PartNParcelProperties.com on The Land Geek Round Table

Transcript

Scott Todd: Hey everyone. It's Scott and welcome to The Land Geek podcast Round Table. Today Mark is out; he's on vacation actually with his family. Someone just told me I think he's at the Cheesecake Factory.

Tate: No, no, no, no. He's at one of my favorite factories where they make cheese Scott.

Scott Todd: So you guys are hearing me the cheesecake factory. So next time you see Mark make sure that you razzle him about being at the cheesecake factory. He won't know what you're talking about and just tell him I said so good enough and Tate said so too.

Tate: I didn't say so.

Scott Todd: All right. So let's go we have a smaller group today: we've got Scott Bossman. I forget... I don't know Mark has got all these nicknames for

you guys. I know Bear Land but come on the Nite Cap Meister. Is that what it is?

Scott Bossman: The Nite Cap Meister I believe is my new nickname.

Scott Todd: All right. We've got to change our headings so I get it. And then we have the Bear Land. I know that one Aaron Williams. How are you going Aaron?

Aaron: Okay. I'm doing great.

Scott Todd: What, no roar? Come on man.

Mimi: Well no. I thought the law of diminishing returns was applicable to it.

Scott Todd: All right.

Aaron: [00:01:31] [indiscernible] grrr.

Scott Todd: Oh there you go. We got it after all. Then with us is Erik Peterson. Erik how is it going?

Erik: Pretty good. How are you?

Scott Todd: All right good and we also have Mimi. Mimi is here.

Mimi: I'm here. How are you?

Scott Todd: I'm good. How are you?

Mimi: Great.

Scott Todd: Awesome and then you already heard him. You know he's on the called because he's talking about the cheesecake factory Tate. Tate how are you doing?

Tate: I'm good. But let it be known the cheesecake factory is not my favorite. I mean A it's too loud in there. Ever tried to have a conversation in the cheesecake factory? You can't do it the music is always so loud. So yeah, and I can guarantee Mark is not at the cheesecake factory.

Scott Todd: And the calories man. The calories are like huge there, aren't they?

Tate: I mean that's why you have a peloton. Don't you ride so you can eat?

Scott Todd: Yeah. I actually because I ride indoors I can ride and eat at the same time as opposed to like you outdoors, you know.

Tate: Yeah, but the good thing about me is I'm not worried about cramps going everywhere. I can eat, make a mess, spill water all over the place and it's just for the birds, right, it's okay.

Scott Todd: I've got a mat here. The dogs love it, it's all good.

Tate: All right. All right touché.

Scott Todd: All right. So listen I think we have a cool topic for today. A few weeks ago we talked about kind of some case studies. We had a Round Table on some case studies some of like our last deals and we wanted to reverse the table a little bit today and we wanted to really share with you guys our biggest mistakes if you will. Because look the reality is that we're all going to make mistakes and sometimes people make mistakes and you're going to mistakes too if you are doing any type of real estate. The cool thing that I have found is that in the mistakes that I've made they have all been fixable. Now maybe for you guys it's not that way but let's see. Let's just go around and let's just fast go to Scott Bossman. Scott biggest mistake man. I'm sure you've made one, what is it?

Scott Bossman: I've made a lot of mistakes all. The biggest is I did a deal it actually... That was probably a year and half ago now. I bought two properties from a guy and one of the properties as joint tenants with his deceased wife and one of the properties was tenants in common with his deceased wife and I got a little bit lost in the shuffle and purchased both the properties. One with the joint tenants property I was able to purchase with the death certificate of his wife but the other property I then became ownership with his deceased wife because he technically should have gone through probate before I purchased that property. So that was a couple of hundred dollars mistakes that was a big pain but I was able to find a resource to help me address it and utilized a paralegal who kind of helped me wade through the waters if you will to get this deal fixed. So that was one of my biggest mistakes that caused a lot of frustration and hassles.

Scott Todd: [silent]

Scott Bossman: Oh, I can't hear you.

Scott Todd: Sorry. So it was fixable it just cost you a few hundred dollars.

Scott Bossman: Right.

Scott Todd: Okay, all right well that's not too bad. At least you got it fixed and you know resolved and you moved forward and still profitable in that deal, right?

Scott Bossman: Yes exactly.

Scott Todd: Yeah, that's pretty cool. All right Bear Land. Bear Land biggest mistake man what is it?

Aaron: I may have talked about this one before but I bought a property that was like the letter telling the landowner that the taxes or that the property was going up for tax sale went to the person I bought it from at about the same time that I bought the property. So I wasn't aware of it and I didn't have a good handle on the amount of time in that particular area that property could have back taxes before it was going to go to sale. So I bought the property, marketed it, sold it and got a letter from a gentleman who said, "Hey I just want to let you know I own this property now because I redeemed the tax certificates on it." So all of a sudden now I've got a customer paying a note on a property that I don't own.

So I got a hold of the guy and we had a nice conversation and you know luckily he was somebody that was willing to work with me. I wouldn't necessarily always be that lucky arm but he sold me back the property for what he had it at just because he was pretty nice guy. So unfortunately I didn't make a huge profit on that property but I retained the note and they're still a little bit of profit in there. So basically, it became a instead of something I bought you know for a quarter market value it became kind of like I bought a wholesale deal. So it worked out. It was a mistake that could've been a lot worse, I could have had to refund my customer all that he had paid but it did work out. So that was a big one, I learned good lessons from that one.

Scott Todd: I think that's the thing too, right? Like I think that we are all scared to make mistakes. Like now one wants to make mistake, it's not fun making mistakes. The reality is that you know like for me the way I always think about this is my investment is so small in these properties. You know my average investment \$1600 that if I made a mistake I'm going to lose \$1600 that's my loss but yet I've never lost one straight out but there is that potential. Like anytime you're doing something there's that potential and like you your scenario that you just did and in a way you kind of lost the land and you were able to recover it. Lucky thing you were able to recover it but

then at the same time you learned a very valuable lesson along the way. Like this is something we've got to check on in our due diligence like man how delinquent is this and when are the taxes really coming due.

Mimi: Absolutely.

Scott Todd: Yeah, that's cool. It's not cool for you but it's cool that you were able to recover. All right let's go to Erik. Erik biggest mistake man?

Erik: I don't know. I've got a couple I want to talk about. So the first one I was purchasing bulk properties I think it was probably about a dozen properties from a seller and paid them. They deeded me that group of properties, we recorded it and a couple weeks later got a letter back from the assessor saying these two properties on that deed already have been sold or you know there's a different owner on them. They were sold prior to you making that purchase and in the meantime I'd actually taken a deposit to wholesale one of those. So quickly remedied that and refunded the buyer on the wholesale side and was able to reach out to the seller. This was a seller I had a relationship with so it wasn't a huge deal but it was frustrating more than anything else just kind of in the time part of it and dealing with getting it all resolved but the seller gave me two other properties instead that were basically equivalent and we worked it out that way. So that's one that comes to mind.

The other one is this once more just kind of around the business as a whole and I often tell my coaching students this when I got started I had a full-time job and I was doing this on the side and the passive income piece of this business became really important to me. You know I didn't everyone see that number go down I always wanted it to go up and up and because of that I wasn't willing to sell any notes and recoup my capital faster and redeployed it back in the business and that would've been the ideal time to do that. I would be much farther today if I was doing that while I had another job I didn't need that income. You know I had a lot more flexibility though those numbers were great on the passive side you know as they were growing and getting bigger, bigger you know I would've just been now much further along today if I was selling those notes back then and redeploying that capital.

So that's kind of a business strategy type mistake that I think is very hard for a lot of people just getting started to let go of some of that passive income because it feels so great. Most of us don't have that outside of this business so as it starts to accumulate it's hard to let it go but the reality is if you've got full time work outside of this business that's your best time to utilize that strategy.

Scott Todd: And you can always, you can always sell your notes at TLFolio.com.

Erik: That's right.

Scott Todd: See Mark would be proud of me for plugging that in there because he's the expert in that piece. But Erik it's kind of cool that you talk about the selling of notes because I've always said that... and I did the same thing like I wanted that passive income. But while I didn't need the money I went off and sold some of my notes to generate more capital to go buy more properties and I talk about this in Flight School, I talk about it every time I talk about my story. I talk about the fact that I leveraged other people's money and to me the safest way to do that is through selling just a portion of the notes. Sell 12 months of the note payment and move on.

Now the other component to that is to me it's a lot like playing Monopoly when you do that because if you've ever played Monopoly you know that like you go around the board and the goal is to collect as many properties as you can and clearly you can't go out and you can't put a hotel. Just you can't buy the property and then put a hotel on it. Like that's not the way that the rules work but the more of these properties that you can accumulate on your first few times around the board well that's going to set you up for success later on and I looked at this the same way.

It's like if I can pair off some of that passive income that I'm generating today and I wouldn't say pair off all of it like I would say like stick to a 50% maximum of 50%. So if you have 200 a month coming in only sell one of the notes or \$100 of that regular passive income stream because what you want to do is you want to be able to go around in that first few years and gather as many of these properties as you can and then as the first 12 months come along you cycle through it all of a sudden now you've taken someone else's capital and you've went out and deployed it at a much higher rate and you've bought all these other properties and then your passive income is some substantial number higher. It's not necessary 10X but it all depends on how you deploy it but if you deploy someone else's money you're freeing up capital daily to go do it. Just to me it's a no-brainer, but I get it people want to hold onto it and protect it and I would to. So glad you kind of looked into that and found that solution too. It's cool.

Erik: Yeah.

Scott Todd: Mimi what's your biggest mistake?

Mimi: So I talked about it at the last Bootcamp. I had an accepted offer from a guy for like 1175, one thousand one hundred and seventy five and he was a trucker and he was traveling so he let his friend work with me on the transaction. So you know it was to buy the property okay. So I paid him for the property 1175 and then the guy's friend calls me back and goes, "You're a zero short. You owe us like \$11,000 more." They thought or he thought it was \$11,750.

So my stress level went through the roof. I was so stressed out and the trucker and his friend were sending me the meanest, most obnoxious texts and it was really upsetting to me and you know threatening to go to the sheriff and as a woman I was really upset. I would stop reading my texts and I would have my husband kind of scan them for anything that was important like my daughter come pick me up because I was so afraid to look at my phone. So literally I was so afraid I went back the next day, I swapped it back the deed's tax and that he had the property and I called the guy, "You're going to send my money back right?" "Well I'm on a four days trip." Four days later, "Well I spent the money." And I was so stressed out and I knew my husband was going to be so upset with me, but the check did come. It took about 10 days but I don't know how that happened. I think it was because there was a middleman involved. He'd accepted the offer on the offer letter, the piece of paper but the friend saw how professional I was during the whole time and I didn't get nasty in response to what they were saying to me that he's now looking at buying a really big piece of property from me. So I made a friend and a client in the process just because I kept my cool and remained professional in that whole thing but gosh it was so stressful.

Scott Todd: I mean that is a very important part. Like being able to like remain professional, remain you know honest and transparent about it. If you make a mistake or if there's confusion just give back the money like to me that's the fastest way to build credibility around.

We actually had a guy that bought a property from us back in November and he made his down payment of like \$75 and then he made his first month payment of like a couple of hundred dollars and then he stopped making payments and he was actually delinquent. We called him and we're like, "Hey, what's going on?" And he's like, "Well you're not going to give me the deed on the property and I can't do what I want until after it's paid off." We're like, "That's right." He's like, "Well this isn't going to work." And I'm like, "Well, just payoff the deed or pay 50% you know some substantial amount so I know that you're in." He's like, "No, I'm not going to do that and I want all my money back because you mislead me." And he was after

the 90 day return period. You know like the swap period and plus he was delinquent which kind of negates that anyway in my opinion.

He was talking to the sales representative that he dealt with and she's , "I don't want to give him back his money," and I'm like he's going to be an energy vampire. Give him back his money and she's like, "I'm not giving him back his doc fee." I said, "Give him back his money." So she gave him back the money. I'm like it's not worth it. Like to even if it was a cash if you're not going to be fun to work with man get rid of that guy and move on to somebody else because life is too short. So like you said like you could have argued over and said no this is the way that it is. The reality is you did the right thing even though they were wrong and look you'll probably get a big sale out of it. You'll probably make more money than you could off the other one.

Mimi: Yeah.

Scott Todd: Maybe awesome. That's a good story. Watch out for those truck drivers to call on Mimi man she's the "Terrorist Hunter" you don't want to mess with Mimi. You should have been like, "Listen do you know who I am?"

Mimi: I don't think he realized it.

Scott Todd: "You don't know who you're messing with Jack. I'm tracking you right now. Look up you see that drone. Oh no you don't. That's exactly who I am."

Mimi: Run, run now.

Scott Todd: "You better run and I still can see you."

Mimi: I guess I realized make sure I have the money before I file the deed. That was the big lesson in that.

Scott Todd: Yeah, good point. All right. Tate the "Big Poppa" man big mistakes what is it?

Tate: You know I've made a few good mistakes. One mistake most recently that we made was we double sold a property for cash both times. Or I guess we sold it once on terms and then we sold it for cash and we deeded the property to the second person and we just made a mistake when we entered the APN into LG Pass. So we had the last digit was supposed to be zero and

we hit one and so LG Pass didn't alert us that hey this property has already been sold kind of thing.

So I ended up having to go to the person who bought it for cash and I explained the situation and you know he was pretty upset about it. We told listen we're going to make it right we're not only are we going to... We can give you your money back or I've got a similar property in the same area and because we made a huge mistake we're going to give you 10% off of it and he ended up being okay with that and same thing that Mimi just said because we handled that professionally and we just kind of owned up to it and said listen this is our bad, there's no excuses. We simply messed up. He was very understanding in the long run. I mean we did have a few heated text messages exchanged but for the most part he kind of cooled off and realized that mistakes happen. We weren't trying to keep his money, we were trying to give him his money back actually and he really wanted land on that area. So we were able to move him onto something else. That's a mistake that's happened once or twice now.

But one of my biggest mistakes ever was when I first got started I found this honey hole where I could buy lots for like \$100-\$150 apiece and I could sell them for cash for like \$4500 and I did like five or six of these deals. One of my biggest mistake or regrets is I ended up wholeselling like 20 lots in that area to a guy for \$1000 apiece and because he bought for \$1000 he took them to the marketplace and ended up selling them for like \$2500 cash and just destroyed the market there. I regret doing that so much because I was sitting on 20 properties but I got distracted by like the quick money and let them go for something that I shouldn't have done. Now I was happy at the time I made \$800 and everything was great and then I went out and used that money and bought more land in that area, tried marketing them at 4500 and because he sold all of those for so cheap people weren't willing to pay that anymore. So that was one of my biggest mistakes.

Scott Todd: All right so that makes me wonder like get on my soapbox here, right?

Tate: I know. I'm sure you do. I'm sure you've got a good lecture here in there for me.

Scott Todd: Not just you but like for everybody like here is the thing. Like I know I even talk about this in Flight School and people are like eeh whatever and I know you guys are going to agree with me because I don't think that I've ever seen anybody on this call do this. But there the funny thing is that one you know like when you find, kind of this little spot it doesn't mean that you know like you have to always keep it yourself. But there is this thing

about you know like I grew up in like a corporate America kind of a deal, it's company confidential. Like there are certain things you don't talk about fight club is one of them.

You don't talk about company secrets because it gives you the competitive advantage. There are little things that you always need to be doing to try keep your competitive advantage. Here's what I love, I don't love it but here's what my pet peeve is man I see these groups on Facebook that are like the Lots Are Hot and Vacant Land groups that people love to post their ads on yet nobody ever responds to them and I think I swear these groups are set up by other land investors to see where other land investors are investing.

Tate: They are.

Scott Todd: Why are you wasting your time posting there?

Mimi: I completely agree.

Scott Todd: I mean does anybody disagree with me? Like you guys have any success with that?

Mimi: I'll look, I'll look in the feeds to see if anyone's responding and I never really see any responses.

Scott Todd: Nobody. They are like hey I'm going to post here. You're posting to other land investors which is cool but now I know where you are. That's one of things I don't like about Facebook man like let's just all share.

Tate: It's like thanks for giving me an inside look at your inventory, right?

Scott Todd: I mean I guess you could argue that kind of Land Modo does the same thing but I don't know. I guess it doesn't matter right. I don't know, it depends.

Tate: It matters to you...

Scott Todd: But look to me if you're going to post on Facebook do what Mimi teaches which is go to the market or go to the buy-sell groups, the local buy-sell groups. These things that are like Lots Are Hot and Everybody Loves Land nobody loves land except for you and me that's it and even then I'm not sure that we love land. Like we love the income stream that it produces but the land to me is like nah, okay cool. All right, I get off my soapbox now.

I will talk about a mistake that we just recently made and this is one that was... look we've made mistakes along. I've done the Scott Bossman mistake where you buy and it's tenancy in common or something else. I've probably made all these mistakes too, I don't know. Somewhere along the way you can always make them better but this one that we just did absolutely killed me, here it is. We went out, we bought a property and it was held joint tenancy with rights of survivorship cool right. The husband's deceased, no problem. Give us the death certificate, they did. So we bought this thing, we presented the death certificate to the county they record it, all is good. We sold the property for cash.

The problem is that on the death certificate where it says marital status it marked that he was divorced, not married. Therefore because that death certificate was marked divorced the joint tenancy with rights of survivorship which doesn't really make sense to me because it should transfer. The joint tenancy with rights of survivorship split and the fact is that they're telling us now we have to go through probate to clear that of. So we're fighting with the County right now to kind of get that resolved because joint tenancy with rights of survivorship is joint tenancy with rights of survivorship period end of story. In our opinion it doesn't matter if they are divorced or not they still have the right to it. So that's what we're working on and that's kind of my biggest mistake right now and I'll let you guys know how it works out okay. So I'm sure we can get it fixed.

Mimi: Good luck.

Scott Todd: All right let's transition over to who's got the tip of the week? I didn't even ask in advance. Does Mimi have it?

Mimi: I am. I don't know if you will like it because if no one else has one because I'm doing a quote.

Scott Todd: Go ahead I love quotes. Don't tell Mike Zaino that but go ahead.

Mimi: I wrote it on an email this week. I just love this it's by Peter Drucker, "Entrepreneurship is neither a science or an art. It's a practice."

Scott Todd: It's a practice.

Mimi: So keep practicing.

Scott Todd: Yeah, that's a good one. Keep practicing, keep growing your business and it's never done. If it's done you're done.

Mimi: I always hear everybody says oh you can do this you just got to keep going and I always doubt myself. I think they can do it but maybe I'm not going to be a good salesman. They can do it maybe I'm not going to make sound business decisions. Well, I just need to keep practicing and it's working.

Scott Todd: Yeah all right. Listen that's a good quote by the way Mimi. Listen if you are interested in learning how to scale your business check out Flight School. Scott the link is TheLandGeek.com/Training?

Scott Bossman: Training; to schedule a call with Mike Zaino or myself to talk about Flight School.

Scott Todd: You guys have got... If you're on this call and you haven't taken action please do yourself a favor talk to Scott Bossman, talk to Mike Zaino. Figure out how you can plug yourself in whether it's Flight School, the Investors Tool Kit, other types of training are available understand how you can scale your business. You can do it to create the lifestyle that you want and then you can... I don't know. Be on here we can debate Facebook groups for land only or not? That's a good question for the group too. Should you do it or not? Let's see what you guys think and take action.

Learn more at TheLandGeek.com/Training. I look forward to teaching you and showing you how I built my business and that's what we do in Flight School. Learn how you can grow your passive income that's a great start to go. Also, also you can get a LOTS that is Looking Over Tate's Shoulder don't forget about that. Who doesn't want to Look Over Tate's Shoulder? I'm on this call right now I'm looking over his shoulder the other way and I'm wondering what's on his screen right now, what's he doing. Don't you guys want to know what he's doing right now? I do.

Erik: I hope he is paying attention to this call?

Scott Todd: Yeah.

Tate: I'm multitasking Erik, I'm multitasking.

Scott Todd: Yeah.

Erik: There is no such thing.

Scott Todd: All right. So let's do this. Ready? Bear Land has got to mute himself. One, two, three.

All: Let freedom ring.

Scott Todd: All right thanks everybody.

Aaron: Ring.

Scott Todd: Tate what is on your screen right now man?

Tate: We're on the East the microwaves.

Scott Todd: I don't know, okay.

Tate: I was watching it like on the other screen I mean.

Scott Todd: Yeah, I'm not sure about that.

Scott Bossman: What [00:29:06] [indiscernible]?

Scott Todd: What we need is we need the ability to like spot check everybody's screen. Show me what's on your screen right now.

Mimi: That's why I have the iPad beside me.

Scott Todd: Oh so when you put you to the spot check Mimi is clean.

Erik: The bachelor.

Scott Todd: [00:29:22] [indiscernible] iPad over here though.

Tate: That's what you need in Flight School I bet make sure they are paying attention.

Mimi: Yeah.

Tate: Not browsing Facebook.

Scott Todd: That will be good. But you know what we won't need that is in Flight School Live because we will be able to see them right there. We're going to wonder the room. What are you doing? Why are you on Facebook now?

Tate: We need to get a ruler.

Scott Todd: Oh yeah. We've got the mini bat don't worry.

Tate: That's good too.

Scott Todd: We don't need a ruler. We'll start breaking mini bats.

Aaron: How about one of those electric fly slaughters.

Scott Todd: Listen that would be really...

Aaron: You should bring the big bat for that weekend Scott.

Scott Todd: You know it. Well I can see this now like we've got the mini bat. I need like the ones that break very easily like these breakable mini bats. So then I'm like you're going to mail and I slam it on the desk and it breaks into pieces but it's all like... maybe it's [00:30:15] [indiscernible] or something, it's like psssh oh man or like bend it bang. That would be great.

Aaron: They are like those stage bottles you make them with sugar or something psssh.

Scott Todd: Yeah, that's it. That's exactly what I need sugar to go flying around my office.

Tate: Your dog will be happy.

[00:30:33] [indiscernible]

Scott Todd: The dog will die from the sugar thanks to Bear Land. Bear Land is killing my dogs over here.

Aaron: Hey! [00:30:41] [indiscernible]

Scott Todd: Tate you're going to the cheesecake factory for lunch now?

Tate: Yeah, totally.

Mimi: How did you get on that away from the doughnuts? What was with the doughnut boxer?

Tate: You liked that? That was just...

Scott Bossman: [00:30:53] [indiscernible]

Tate: I was just out eating some doughnuts and I wanted to brag and show you guys that you could be eating doughnuts too.

Mimi: It was so funny.

Tate: You know Mark he is on a vacation and he's eating at one of my favorite places that I like to go to buy cheese. Not at the cheesecake factory as Scott...

Erik: They sell cheese at the cheesecake factory? I thought it was cheesecake.

Tate: I don't like the Cheesecake Factory, it's too loud. It's like having a meal by yourself there.

Scott Todd: We're going to be able to twist this for years and years and years to come. I know we are.

Tate: There is a cheesecake down the street from me. Sometimes I go and pick up cheesecake to go though.

Scott Todd: Yeah. You're saying it's loud man. Like it's so loud but Tate you're acting like an old man with a hearing aid man.

Tate: Listen I only go to daytime movies. I go to bed you know late early. I am trying to get up early in the morning like I'm not into seeing a movie when the teenagers are out of school that's like the worst thing in the world.

Erik: Well, you don't like when the older kids are there?

Tate: Yeah. They are just loud and they are also just texting one another. I like it with the seniors because they're respectful. I mean sometimes when they whisper it's not a whisper but other than that they are really good moviegoers. You know they're content, they sit down, they are not up and down. I'm an old man trapped in the body of a 29-year-old Scott.

Scott Todd: All right man. Geez Tate I don't know what to do with you but go with the cheesecake factory man. All right guys will see you guys later.

Tate: Bye.

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