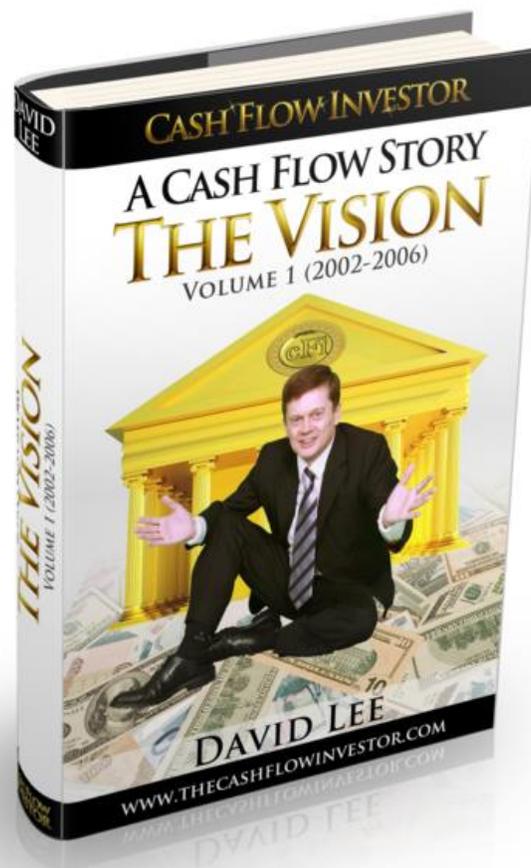


A Cash Flow Story Volume 1

The Vision



By: David Lee

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INTRODUCTION



David Lee, Author

Let me say something that you may be able to relate to. Apart from my name, David Lee and being married with two teenage children, I too have spent the best part of my working life in a job. As a business systems analyst I found the work quite challenging and rewarding, but eventually I felt my life was just going around in ever-decreasing circles.

Working on a freelance basis I could see the global market getting more competitive and coming closer to our doorstep in the United Kingdom. Forces outside of my control meant that I found myself *working longer and harder for less and less financial reward*. Moreover, I found what I was doing was becoming less stimulating to the point of being mundane to say the very least.

I was desperate to make a change, and for me I had reached the point of no return! If I didn't take action at that moment in time then I saw myself just drifting along in life, which is the impression I sometimes get when I hear former colleagues tell me about how life has treated them since.

By putting into words a brief story about my journey of getting out of the 9-to-5 rat race that many of us know all too well, I hope that this can equally inspire you to venture down the path that I'm now travelling down. It's also the same path that many other successful and financially free people have walked down as well, some of whom I have come to know personally over the last few years.

Sometimes I felt that it was just all too much and I found myself exasperated to the point of saying *'it just wasn't meant to happen for me!'* Perhaps that was my paradigm in life! I had always believed that for others the path towards financial freedom had been something they must have just stumbled upon, as if by chance. For me, it seemed more like my penance in life, like those artists that only achieved their recognition after they had left this earth.

Despite the appearance of 'overnight success' that is sometimes the public perception, what I found was that for many that success was often founded on years of struggle and frustration. Like them, I probably had every valid reason, or excuse, to just quit and go back to what I knew before. Certainly this revelation did reassure me that there was light at the end of the tunnel, but as a pioneer you are sometimes never sure of just how close or far away you are from that light until it happens.

Having listened to their stories and struggles I could relate very much to what I was going through, that is, to help popularise a different way of buying and selling property in the UK and thereafter the rest of Europe. Doing things differently does require a true sense in belief in one's self and ideals in order to see your vision become a reality.

And if you are just beginning your own journey, or have already set off down the path, the message that I have for you today is that I'm envious that you can also do what I have done, but without all the guesswork and trial and error that I had to go through in order to derive a successful rent to own formula that could be used in the United Kingdom.

Having realised from the beginning that I too needed to walk in the footsteps of someone that had achieved amazing success, I met with Rick Otton in his Sydney office in 2002 and asked him if he too would be interested in introducing his cash flow investing methods into the UK. By leveraging Rick's experience with my ambition and local knowledge we have spent the last few years dissecting and implementing Rick's Australian business model into a viable and workable solution that can now be applied into the British marketplace.

I would dearly have loved the time to have taken sooner than it has, but from my business experience I also knew that such a system like the one we have developed needs proving many times over so that it's not just a matter of good luck. In fact, the Rent2Own Pack that we have developed was done with you in mind. It had to be so simple that someone could pick it up and make sense of it without being burdened by the weight of knowledge that went into its compilation, and just understand how to do things in simple layman's terms.

As you read the following chapters I hope that they can also help to serve as the spark that fires you up, but more importantly, keeps that fire burning so that you don't resign yourself to just accepting things the way they are, and that you can actually make a difference to the world in your own way and achieve your own financial success as well.

I have made a positive change to people's lives both here in the UK and back in Australia since my association with Rick Otton. I have also quit my job forever and now starting to realise my BIG ambitions that I set myself a few years earlier. This is the story of how I did it!

THE POINT OF NO RETURN

As theatrical as it may sound, that's exactly where I was at. In December 2001 I completed my last ever contract with an international bank based in Croydon, Surrey. The bank was spending their allocated budget on a meaningless project that I could see was doomed as soon as I reviewed it for the first time. Everyone was just following orders to get the computer system running and use up the budget, probably equally aware of all the inherent fundamental flaws, but not questioning orders from above just to be good foot soldiers and stay in their job.

I remember one day standing up from my desk and saying to myself a loud and out of frustration, *'This is the worst system that I have ever come across and will never work in a million years!'* I knew my time had come when I looked around as hardly anyone flinched at this outburst, just keeping their heads down and going about their business like commuters on the London underground.

Was this my mid-life crisis, or could it have been my mid-life wake-up call? At 44 years of age, the thought of such a meaningless existence had taken me over the edge. This was the defining moment and my point of no return. I was about to burn the bridges back to the comfort of what I had done previously and venture into the unknown. I had been investigating other options to fulfil my life that working for someone else wasn't doing.

Have you also reached the point of no return yet? To some degree I think that's where you need to be before you can actually move forward. The desire was so great for change in my life that I would do whatever it took to make it a reality. The thought of reverting back to that existence was so distressing that moving forward, even into the virtual unknown, was the only way I felt I could achieve my own goals and live life on my terms.

And with the passage of time, the further I moved away from that J.O.B. (Just Over Broke) existence the harder it was for me to revert back to my former life. My so-called 'career path' was in derail as far as the head hunters from the recruitment

agencies were concerned. There would be no turning back to the comfort zone that we can become accustomed to if we allow life to just drift idly by.

Over the previous 12 months I had been researching various wealth creation sources, and during my trips back to my native Australia I had friends that would talk about the various guru celebrities that were visiting Australia at the time. I would invade the bookstores and return to the UK with reading material for the next 12 months, usually because the London bookstores only had a miniscule number of such reading material in comparison to their antipodean counterparts.

Everyone knows that the super wealthy have property as one of the cornerstones of their financial success, so it was an obvious place to go looking. I researched different strategies and observed how the UK differed in relation to the way property was being transacted in Australia and the US. Cash flow was the buzz word that was used in all aspects of wealth creation, whether in business, stock markets or even in property!

Unless you have cash flow first and foremost then you were waiting on the hands of time to escape from the rat race. The working population also has a cash flow strategy, but mostly don't realise it. It is called their job, as they sell their time for the cash flow that pays for their all-consuming living expenses. As we know, there is often hardly anything left over after paying out for all our commitments, if any. So unless we had the good fortune of buying almost anything made of bricks and mortar in the booming property market of the late nineties onwards, then for many of us our job was all that we knew for cash flow today.

When sitting back reading all this material and researching the internet I realised that, if I'm in the UK and much of what I was reading was based on overseas markets, how could I do the same here and who would have the experience and willingness to introduce these methods into a virgin market? Obviously I would need something to offer in exchange for anyone else's involvement, but the UK and the rest on Continental Europe may well be attractive enough proposition for a willing property entrepreneur to pursue, provided I could supply the grafting that was needed from the ground up.



And in my search over literally the 4 corners of the world to find someone that I may be able to persuade to show interest, I was eventually lead back to my home town of Sydney, Australia. That person was Rick Otton, whose life I had crossed paths with my own, albeit indirectly, over 20 years earlier.

Both Rick and I had worked for the same mobile disco company as disc jockeys and we both knew the same people working for the company at the time. In fact, I even recall Rick's name coming up in conversation as well as seeing his business card in the office as I was picking up my own.

Our lives went in completely different directions, with his eventually taking him to the United States, and mine taking me to the United Kingdom. Somehow, by some strange twist of fate our lives finally crossed paths again all these years later. Perhaps it was destiny, however this time it wasn't music that brought us together, but property that Rick had specialised in during his long stay in America.

Rick had been gaining attention in Australia for his innovative methods of transacting property that he had successfully migrated from his business in Dallas, Texas, to his newly-established We Buy Houses business in Sydney, Australia. His fundamental philosophy for property investing was also based around *cash flow*. From our early conversations over the phone he sounded passionately immersed in what he was doing, and had the confidence and knowledge to back it up.

Yet, in my mind, I was thinking to myself that he must get these types of calls all time to time from people that are full of talk and short on action. If my mission was to work with someone like that then I had better demonstrate that I was not just full of hot air.

Coincidentally it was at the end of March, 2002 that Rick was launching his first training manual 'The Wrap Pack' that was a detailed guide to replicate the exact same steps he used in his Australian business. As he explained over the phone, if I wanted to replicate his success then I could purchase the material and be one of the first in Australia to do so using his methods.

That's exactly what I did! Despite all the concerns for my sanity from my wife and friends, there I was back in Sydney in early April with a newly-purchased pack in hand and a good luck wish from Rick, as he and his wife jetted off to the United States for a couple of months. And now the moment of truth had come, as I was all alone, just me and that pack!

TOO LATE FOR EXCUSES

Could I actually do what I had come such a long way to do? Up until then I hadn't committed myself to any property purchase, so the doorway was still open to turn back and justify why things didn't work out. I could have made up excuses to family and friends, but I couldn't do it to myself. I would know that all the excuses in the world didn't hide the fact that every time I looked into the mirror I'd be looking at the real excuse.

What's worth pointing out now is that Rick's methods were still generally unknown in the mainstream market, and therefore created attention compared to what was generally understood by people at that time. In many ways I believed that so long as I followed the instructions then ultimately I would achieve the desired outcome. My actions were therefore on autopilot as I literally did not have the time to hesitate if I was to get back to London in the 2 months that I told my wife and children that I would be away for.



So every day involved going out looking at properties, speaking to estate agents, arranging any upcoming mortgages that I was likely to need, and attending network meetings with other investors to see who else was doing this. It was just this relentless approach that eventually led me to my very first

purchase. Having seen so many properties I knew that what I had found appeared to meet the criteria for reselling to someone at a profit using the instalment contract that came with The Wrap Pack.

If you are unfamiliar with an instalment contract, it is just a variation to a traditional Contract of Sale that allows the buyer to move into the house after the exchange of contracts between solicitors, with the buyer making payments to the seller on a loan agreement. The loan is for the balance owing after any deposit has been made up

front, and usually on a capital and interest basis. The completion of the purchase can take place at the buyer's discretion according to the term of the loan, usually up to 25 years. However, most buyers often found themselves in a position to arrange cheaper finance through a bank within 2-5 years, and are therefore able to complete the purchase and take out a mortgage at a lower interest rate than what you had been charging them.



Having signed for my first purchase the whole buying process began. This was new territory for me as I had to keep abreast of all the necessary requirements along the way, as well as anticipating and preparing the house for resale to the next person. As this was going on I started thinking that with so much spare time waiting for things to happen I would make better use of this time by purchasing a second property!

What was I getting myself into? So much for playing it safe! If I was going to do this I may as well get twice the learning curve in the same amount of time. After all, the formula was something that you do once, and repeat. I had also heard about someone else in the area that he had done this 13 times on behalf of an investor. He sourced and sold the properties on a commission basis and the investor provided the funding and just reviewed everything whilst still maintaining his job.

This moment of truth usually comes to everyone along the way. The excitement of attending a conference, or buying a pack and devouring the theory, becomes crystallized when it comes to the crunch and all your words and thoughts come to nothing unless you are prepared to put them into action. For me, I felt as though I had no choice as the steps in the manual just instructed me on what to do next, and that's what I needed to do achieve the purpose of my trip.

Not so long after having purchased my first house, I found and negotiated the purchase of another. That gave me twice the workload, and meant that my anticipated two months would need extending. Such news obviously would not be well received back home, where my wife was already bribing our children to tell me

to come home. In addition to this I was also helping them with their homework over the phone, as if I needed any more distractions!

So with all this happening the pressure was really on to get this done and get home as soon as possible. There was not time at all to dwell on anything else. I had no choice but to make it happen. There was no turning back, and the quickest time needed to get back was to go forward. With Rick in America I had to just rely on my wits that everything would work out in the end.

And somehow, whether by fate or by resolve, I eventually completed the purchase of both of these houses and found buyers that were both looking for the opportunity that the banking system had denied them. During this all there were times when meeting with friends that I could feel their concern about what I was doing and whether I had dug a hole for myself.

In just two months I had bought two houses, agreeing terms with buyers for each property, when Rick Otton arrived back from America. *'How's it going?'* said Rick, in his typical easy-going manner. *'Great Rick, I've just been through one hell of a learning curve since you've been gone!'* And that is really the point I'm getting to in this chapter. By the time I got my buyers moved into their new homes with contracts exchanged I had been away from the UK for three months instead of two, would make \$55,000 combined from the two transactions, but most importantly the experience I had gained had been priceless!



Yes, I had achieved what I said I would do when everyone else must have thought I'd gone over the edge into madness. I could look myself in the mirror knowing that there were no excuses to fall back onto. I also felt that I had demonstrated to Rick that if I was willing and able to travel to the other side of the world and become one of his first success testimonials then maybe he would take me seriously about doing the same thing back in the UK.

Would he listen, and would he be interested? I was about to find out.

THINK BIG

'Rick,' I said, 'I want to be able to do this back in the UK. Would you be able to help me?'

When I explained how things operated in the UK compared to Australia and probably America, we started to have two different levels of conversation. My systems development experience was talking at a detail level, and Rick's entrepreneurial experience was talking at a big picture level. I was looking at things on the basis of why it couldn't work, and he was looking at them on the basis of how to make it work.

This is what I have later found to be something in common with the many other entrepreneurs that I have since met, and which has been engrained into my own subsequent way of thinking ever since. This is one of the starkest differences I have come to recognise when I compare talking to everyday man and woman. The words of Napoleon Hill could not have been more adapt when he called his book 'Think and Grow Rich'.

Rick told me, 'I've got a legal firm in London that I've found on my last trip and they are interested in working with us.'

If there is one gift that I can say I've been given, or perhaps cursed with, then it's that I have a memory for facts and events that I can often recall over an entire lifetime. I can remember what was said and how I responded, often in great detail. So whether Rick realised it or not, much of what he was verbalising to me was being retained in the memory banks for when I would have to organise it all at a later date.

I never thought for one moment that Rick's intention was for me to buy and sell a few houses, just to prove that it could be done. If we were going to introduce something new, then it was going to be on a large scale. What we needed was to start small, go about proving that what we did worked and was repeatable, but the objective was to introduce change in a big way. I had to therefore think like an entrepreneur in words and action...*BIG!*

After arriving back in London and taking what I believed to be a well-earned vacation to France with my family, it was then time to get to work on developing the legal paperwork that could be used in to UK or, to be precise, first of all into the legal systems governed under England and Wales.



With the great assistance and patience of Peter Paschalis from Howard Kennedy Solicitors in London, I found myself back in my prior role of business systems analyst communicating between Rick and Peter to thread together a set of documentation that would achieve the same results those in Australia or America. Throughout this role of intermediary I felt like I was a translator seeing things from both the business and legal perspectives.

We were working on the development of both an instalment contract and a lease option agreement. By far the most time and effort was spent on the instalment contract that was able to mirror the Australian version, but in a totally different manner. The essence of having the transaction between a buyer and seller over an extended period of years was achieved with the added benefit of simulating a capital and interest loan without coming under the jurisdiction of the Financial Services Authority. With the added opinion of a legal council to support its legality, the document is probably the first of its kind developed for the UK.

But not only that, we were also looking at lease options as another strategy that Rick uses. The only problem for me was that I had never seen or used one previously, so I didn't have a practical knowledge of how to go about it. Ultimately, it was just a case of listening to what Rick was wanting the document to do, and understand the requirements of the lender and Peter's obligations under The Council of Mortgage Lender's Handbook, and to develop a document that fell within the boundaries of all concerned.

I tell people sometimes that having no prior knowledge on something can also be an advantage, because there are no prior judgements or preconceptions to get in your way. In order to get this document completed required just taking a pragmatic

approach in how I saw it should be assembled and satisfy the requirements of all parties concerned. Unlike the instalment contract, the lease option needed to be a much simpler document that almost anybody could read and understand. This was because the lease option was enacted prior to and exclusive from a standard Contract of Sale that follows when the tenant-buyer chooses to purchase from the landlord-seller.

Eventually we were all satisfied that we had a working set of documents to proceed with. Even though these documents have required minor alteration over time, the fundamentals of our original work have remained primarily intact ever since.

Having developed these documents it was now necessary to start developing a system to build around them. By themselves these documents would do nothing to entice someone to buy a property from you in a manner that they have probably never heard of. It's the system that we subsequently developed through trial-and-error over the next 3 years that would be the measure of our success, and that could only be developed by a series of real life case studies out in the field.

The biggest challenge was yet to come...

ON THE ROAD AGAIN

Rick once said on national Australian TV, *'An entrepreneur is only recognised as an entrepreneur when he challenges what's always been done a certain way and says 'Hey! Why can't we do it differently?'* My own career background was also about doing things differently by implementing change, mostly within organisations. And when you are the instigator of change then what you are doing is not always understood by those around you, so your trust and credibility are scrutinised at all times.

The next challenge for me was to once again go into uncharted territory and look to start buying and on selling residential property using strategies that were totally alien to the masses. My only experience in buying UK property was when we bought our first home in London in 1996.

I can still remember driving out to Gravesend in Kent in the first time in February 2003 to take a look around. It had been mentioned to me as a candidate town for first homebuyers as there was local nearby industry and not too far from London. The cost of housing was more affordable to that of London, and still within easy access of the capital for commuting to work, if need be.

However, upon consultation with a local building surveyor it was suggested that the Medway towns of Rochester, Strood, Chatham and Gillingham may be even more suitable because they were just another 15 minutes drive away, and the general cost of housing was even more affordable than around Gravesend. That led me to my final destination to start building a portfolio of properties as live case studies.

'Here we go all over again,' I said to myself. However this time around I had no manual to instruct me what to do. And once again I didn't have any preconceived ideas of what was the right way or wrong about doing things. It was a case of making it up as I went along; knowing that what I was looking to do was probably going against the norm, whatever that was. But unless I was breaking the law, then there was no valid reason to say I couldn't also do it differently.



From my Gravesend research I found a solicitor in Chatham that agreed to handle the paperwork for the buyers of my properties that I was looking to sell. I had a letting agent in Gravesend to handle my accounts as well. Instinctively I was just putting into place a team of people that I would need along the way. These were the stepping stones to building a system of people and processes that become an integral, but independent part of your own business, whether you have just a few properties or many.

My initial meetings with estate agents were totally different to my previous experience in Australia. Whereas in Australia the agents spent most of the time out on the road, hungry for their bread and butter sales commissions, their English counterparts were extremely more formal and seemed to work to an agenda that suited them more than any potential buyers. Having made the trek out to Kent I would have to make appointments a day or two in advance if I wanted to view properties, and they were often closed for much of the weekend, a time when most people have free time available to spend viewing.

Without going into too much detail I just found looking for bargain properties through agents as losing control of the process, as they also look to also control proceedings as well. I was also new to how they play the game, and it probably showed. I wanted direct access with the seller, and quite often they are trying to keep both parties at arm's length.

Undeterred, I did something that no one else was doing at the time and placed a small classified advertisement in the local newspaper 'I Buy Houses'. My ad stood out like a sore thumb as there was nothing else like it. Being different from the rest worked and I started receiving phone calls from people also looking to sell direct. More often than not they would also tell me their own grievances about estate agents, so I wasn't alone, and it also gave me an insight from the seller's perspective about the profession.

If you too are thinking of investing in property the way Rick and myself do, this next part is absolutely vital. In fact, how you talk to people can determine whether you can secure that bargain property or not, or whether you can sell a property or not. Beyond the mechanics of buying and selling property Rick had schooled me in just how to talk to people to find out what you need to know, probably much like the renowned body language expert Alan Pease had also schooled Rick in the same way many years earlier.

With the property business geared around agents and solicitors keeping buyers and sellers at arm's length as well as letting agents often fulfilling the same role between landlords and tenants, then the art of communication has somehow been lost in transit. I'm sure in the *'good ol' days'* sometime back that buyers and sellers used to talk over just how they were going to do business, and then go and tell the relevant parties to put that down on paper. This is the approach that Rick espoused and one that he attributes much of his success to, namely, *'give the other person what they want and you'll get what you want by default.'*

This is the same way that I have bought most of my properties subsequently, and even though more advertisements now appear in the newspapers than when I started, I can still be different with my advertisements and how I talk over the phone to find deals. I can just picture the conversation that any caller has just had prior to speaking to me based purely on the line of questioning that is put to me immediately. Naturally, I don't even go down that path in order to avoid being mentally labelled as just like the rest.



The first deal that I ever did was for a semi-detached house with distant views of the Medway River, but was an absolute pigsty inside. To keep the dogs at bay from eating me alive I had to be taken through the house by opening and closing the doors behind me. The bathtub had a hole in the bottom, and not where the drain and plug were found, so I still don't know to this day how the family ever washed themselves. In fact, I could distinctly remember Rick's words resonating in my ears as I inspected the kitchen, *'I love the smell of urine. I can just smell the money as it*

fills my lungs!'

I had found my dream home! My oasis in the desert! Somewhere that would be the launching pad for a whole new career. Being as proud as I was with my new acquisition I took my good friend Oswin over to take a look shortly afterwards. His immediate reaction was to get out of the kitchen as quickly possible to avoid vomiting on the spot. Obviously the smell of success is not as well appreciated by others that couldn't savour it for themselves! The situation was quickly remedied by lifting the vinyl floor coverings and hosing down the offending odours rising from the dampness over the now-exposed cement floor.



The smell the money!



The bathtub that never overflowed!

If there is one lesson to bear in mind, that is not to cloud your judgement with your own personal tastes. Behind the stench and filth there was still £53,000 of potential, before costs, that could be spread around between me and my buyer. Not a bad return for a beginner like me!

OUT IN THE OPEN

Now if you are going to do something different then there's no point in trying to bluff your way through it. There's no point in hiding it in your advertising, when you talk to people on the phone or in person, and there's no point in covering up your motives. Since our objective was to also find a marketing formula that matched the local climate then we weren't going discover it unless we went through this process of trial and error along the way.

In hindsight perhaps it would have been a lot simpler for me if my first house didn't need so much refurbishment work doing to it from top to bottom. I could have got people to have done it, but I had no established connections in the area that I could call on with confidence. In any case, I was sure that a property in such a prime location would attract the interest of someone looking to do some home improvements if it was going to eventually be their own home.

I made so many mistakes in the early days just because there was no one to tell me the right way to go about things in a new market like the UK. All I could do was to be myself and hope that by explaining things in a way that made sense that someone would not so blinkered to what I was doing. Because of its desirable location in Rochester there was always interest, but I needed to find the right person.

People would ask me to sell the house to them outright, but that wasn't going to fulfil what I was looking to accomplish. To put it bluntly, it was a case of sell the house my way or the highway! I received so many phone calls about the house, and did so many viewings, but they either didn't have the right skills or finances to spend on materials, or again they were people that could get a mortgage and only wanted to buy on that basis.

A few weeks went by until I that phone call came from someone that was looking to do some home improvements, but the bank wasn't going to give him the funding he needed that would be enough to work on a house. He was working, and would want to do it after work and at weekends. Although one of the most sceptical people I have ever met in my life, I think the temptation was even too great for even him to

resist. I even had Rick speak to him over the phone just to back up who I was and what I was doing.

What we had agreed was to allow him to start doing the kitchen and bathroom before moving in so that at least the premises were habitable afterwards. We would then get the legal paperwork sorted out with our respective solicitors. This worked for me because this would improve the value of the house much quicker and allow me to get my costs out of the transaction immediately upon getting the house re-valued.

Work started and I eventually took less and less in the initial deposit to be paid, as long as I could see the work and materials being invested into the house. By the time we went to see our solicitors there was too much invested interest in the property by each party to turn back, no matter what any legal advisor could possibly say against the transaction going ahead.



At this point in time I was able to recover all my up-front costs from the bank financing, and my buyer could move into the house to live and continue to do the lighter decorative work that would still take several months to complete because of only being able to do so in his spare time.

Somehow, despite all the challenges and obstacles that were put in front of me, I had somehow managed to stumble my way through the process that had been a breeze in comparison when in Australia the year before. Throughout the time I would continue to remind myself that this was all a learning experience, and where else could someone make as many mistakes as me and still make over £17,000 profit in just over 6 months!

That's exactly what happened, as my purchaser had enough equity in the much-improved property within a few months to complete the purchase as normal. I received a payout cheque which helped while I was also working on another property whilst my first house was occupied. I also got a testimonial reference from my buyer

and photos to use as evidence for the next time around. My new property business had begun from these humble beginnings!

What are these lessons I learnt from this. The biggest lesson was that a piece of legal paperwork was definitely not the gateway to financial freedom using Rick's cash flow investing methods. The most important aspect was always going to be the marketing side, and how to present a new concept to that market in a way that could be easily understood. With little practical experience in this field, the magic formula was still out there waiting to be discovered!

I might have the greatest product in the world, but unless I could market it properly to the masses then each property would continue to be as challenging as the first. However, I had made a start and had an enormous learning curve from doing rather than saying, and things could only get better, or so I thought!

NAVIGATING THE ROAD LESS TRAVELLED

What has always made me feel uncomfortable is when I feel like I'm part of the herd and have herd mentality that goes with it. My career had been based on making changes, hopefully for the better. But change was not always welcomed by many of the incumbent employees who preferred that things remained the way they were, often out of fear of being made redundant.

I also appreciated the fact that success was often a product of being different from the rest. If the majority of property investors were successful then why are they still in their jobs? I was not in any state of mind to even contemplate falling back on my former working life. I had to keep moving forward. One way or another, with me building up a portfolio of properties in this way, and Rick overseeing everything over the phone or during one of his visits, then surely we would discover the formula to get this done the right way.

And so the journey continued. Slowly and surely I went from buying one property and on selling it over time instead of outright. All along I was documenting the steps along the way, refining them as my knowledge increased. My career training had taught me to question everything. Why were things done the way they were? How did all the interested parties interact with each other? Were things done in a prescribed manner out of necessity or out of tradition?

I was always looking at how things could be done better that would improve the way I was developing MY system. The estate agents had THEIR system, the banks had THEIR system, the solicitors had THEIR system, and from what I could see it was the buyer and seller that were often the victims of THEIR inefficiency. I too wanted as much control of the process that would give me greater certainty whether I was on the buying side or on the selling side.

Rick and I also decided to concentrate more on promoting lease options for the British market, especially as the market was changing from a growth one to a stabilising or stagnating one. He was also now promoting lease options in Australia as an alternative cash flow strategy to instalment contracts.

Even though my first property had been bought and sold to completion in only 6 months, it was more typical to expect the turn-around time to be within 1 to 2 years, according to our preferred exit strategy. Our success would therefore not be an overnight one, especially as I was doing this under my own steam whilst starting off as a complete novice in many respects. I too had to learn from my many mistakes that I had made or was still yet to make. But throughout it all we were building and refining a system that didn't come from a theory book, but from streetwise experience.



Over the next eighteen months I continued in this vein just advertising to buy houses in the local newspaper or using leaflets in my target areas, and finding properties under market value in this way. By working directly with the seller I had much greater certainty about completing the purchase without any outside interference. Some purchases were better than others, and sometimes I just bought properties because the timing was right and I was still going to be profitable in any case.



As time went by the cash flow from these properties grew and grew, even though it took a while before I started to realise any outstanding back-end profit when some of these purchases eventually completed. I now had a letting agent in Gillingham that collected payments, paid my mortgages on my behalf, and then paid me the balance. This gave my buyers the added security that their financial interest in the property was also being maintained.

I was constantly testing and retesting my newspaper advertisements and how I talked to people. I was offering some of my properties on such attractive terms that I can only think back in disbelief at just how some people's lives would have improved at the opportunity they walked away from! I was still making profit, but my real

objective was to prove the system from start to finish. In fact, I wanted these customers to have amazing success stories to tell, as it would be the best form of future advertising that any new business could ever hope to have.



Some properties took a short time to sell, others took longer. There were so many variables to consider like, what type of property, what price range, what area, what time of year, etc, etc... Not only that, but I was also discovering just how to make this all so simple to understand that even a child would *'get it'*. I knew that if any people I came in contact with could not explain this to their friends or family with confidence, then they were going to risk embarrassment would not go ahead with things.

The properties that did take longer were usually down to something that I had done in the process. As with any system, whenever you refine the steps and introduce changes along the way, you run the risk of introducing new errors. I can still agonise over the fact of losing three different customers because I had recently changed building surveyor to do my building reports.

Unfortunately, I had overlooked the fact that my new surveyor had also included the purchase price into the overall summary at the beginning of the report, as well as at the end. When I'm buying property under market value, then the price I pay is of no relevance to my buyer. That's why I remove the valuation amount from the end of the report that invariably reflects my purchase price. Oblivious to this oversight I willingly show such a report to my eagle-eyed buyers that must have spotted it in an instant, never mentioned a word of it to me, and believe that they could also buy at the same price with their minimal savings!

Let me tell you I never, ever made that same mistake again! Fortunately for me, I did find a new buyer very soon afterwards, but it's difficult to be all-seeing and all-hearing all of the time, especially when you are doing this solo! This is just one of the many lessons that I have to put down to experience.

And still...despite all of these *'learning experiences'* I was still being profitable throughout. So long as I followed the two golden rules of 1) buying below market value, and 2) finding the right buyer, then I couldn't help but make money. I had bought my profit in rule one and bought my peace of mind in rule two.

Once I had the people moved into the houses and settled in, then things just seemed to run automatically. But still there was something that wasn't quite right. I still wasn't satisfied that we had tapped into the marketing side as well as how I would like. I felt I needed to do something about it, but didn't have the experience necessary. I had to find the answer!

THE MISSING LINK

Having now bought and sold around eight properties in this way you would normally think that we had worked things out by now. We had by now worked out the mechanics of the steps involved and had the bulk of it documented, along with example case studies. By this time I also had another customer by now ready to complete his purchase from me.

But for some reason I still was not happy with how I was marketing myself and my properties. Rick had educated me based on what he knew from America and Australia, and I was convinced that the fundamentals of what he was saying still rang true no matter where you are in the world. I just felt that it was the finer subtleties needed refinement with a complete consistency from start to finish. I wanted everything to flow from the time someone had made initial contact with me, usually via an advertisement, right through to deciding to purchase and getting legal advice, and finally moving in.

I often use the example of telling the child in the sweet store about what the dentist would say about going against his advice and indulging. The same is true when presenting a home to genuine prospective buyers. Provided you can present things in a way that proves to them that what you are offering can help them achieve that, then they will have *'bought'* the home in their minds long before any legal specialist can fill their heads with rules, regulations and codes that can justify any opinion that he or she care to take.

So when people tell me that solicitors do this and say that when it comes to, say, lease options, it tells me that they are probably starting and ending with the paperwork and not the peoplework!

By the time my customers had the legal paperwork in their hands, plus all the support documentation and explanation that preceded, their immediate reaction when reading it is, *'This is so simple! Do we really need a solicitor for this?'* And so, if even the man in the street can read such a simple document, then what trouble would a legal person have that has probably also studied lease options in year one

of law school or in the field of commercial property? So when we recommend that they seek legal advice the chance of them changing their minds has now been significantly reduced.

How did I go about strengthening the missing or weakest link in the chain? I decided to educate myself in the field of marketing! If that's what it would take to work out how to unlock the treasure trove that awaited anyone that held the key, then that's what I would do to find out.

When people like Anthony Robbins say to replicate what successful do, I look at it in terms of replicating how successful people think. Their thought processes are producing certain actions for given reasons, and by understanding why they do things based on a given set of events, then I felt like I could evaluate things in my head just as they would. At times, when negotiating property deals I don't know if I'm using my words, or Rick's words, or is that really just an amalgam of us both.

In my quest to awaken my millionaire marketing mind within I have also found the same to be true as I reached out to absorb what the best marketing brains in the world had to teach. In my own mind the tipping point to success came about by applying with consistency what I learned from these masters and expanding my horizons that started giving that results that I was looking for to start moving things up many gears.

The point of going to these lengths was so that anyone else would not have to do so as well, but simply replicate the actions and steps that gave these results. As with any marketing, there are always variables going on in the market that are constantly changing, but by servicing the need of a hungry market looking to get onto the property ladder, then you can also stack the odds in your favour by developing these communication skills both in life and in business.

ENTER THE MARKETEERS

My mind was first awakened by attending the very first World Internet Summit that came to London in 2004. The event opened my mind and eyes to another world that I previously knew nothing about. Beyond the hype and the hard-sell that invariably followed every speaker's presentation, there was an abundance of information given out and digested. Much of what was explained was also based on systems that had been developed for the purpose of marketing products or services...any kind of product or service.

I got to speak and meet with many of the keynote speakers in order to also gain that insight into what they did differently from others to make them successful. Almost all of them had started from very humble beginnings, but equally they also possessed a hunger and determination to break away from their past. And, not surprisingly, in their own way they had developed their own systems for success. I decided to invest my time and money into one of these programmes on offer in order to replicate what they were also doing.



I bought a course run by Armand Morin, and found this introduction began to open my eyes to improve my marketing techniques based on my knowledge of the British mindset. Apart from the product development and marketing that Armand spoke to us about over many weeks via his teleseminars, I also would speak to him about how I could relate this all to my field of interest, that is, property. The more he explained what he would do, the more I could hear and was able to get what he was saying with the approach that Rick and his mentor, Alan Pease, were also saying. I had ideas going around in my head just what I could do next.

One of the buzz words that goes around in internet marketing is that of niche marketing (or nitch marketing, as they call it). It seemed that I was already getting a high proportion of ethnic communities that were responding to my advertising up until now, so why not just target one of them and focus my efforts and build up the

business with a higher degree of focus where the word of mouth and attention that I was seeking could be more concentrated.

Because of my recent success with a Polish customer that came immediately after losing out three times in succession to the oversight that I previously mentioned, I then started targeting the Polish community around London. This was an emerging market since the expansion of the European Union in May 2004 that allowed the free flow of 12 or so countries into the United Kingdom.

Without realising the scope of what I was doing, or who I was working with, Armand's influence helped me start developing my business. I had never developed a website before, and before long I was also developing my own copywriting skills for online and offline publication, plus placing advertisement in the local Polish media.

These tactics started opening new avenues to go along with the channels I had previously used in the London and Medway media. Word of mouth did spread and attention was more pronounced with this approach. The people I met that ran the Polish magazines were mostly supportive of what I was doing, and were helpful to my cause along the way.

A few months later in May 2005 the next World Internet Summit was scheduled, and I went along again expecting much of the same as year before. It was a blessing that I did attend because it was my first encounter with the person that was really so switched on and focused about marketing and systems and business development online that it helped me finally solve the riddle I'd been working on for so long.



Stephen Pierce was also different! He came from less than humble beginnings. As he described himself, he had less reason than most to succeed in life than most...big, black, from a bad neighbourhood, deprived upbringing, teenage gang life, one time homeless, shot at, marked for death, bankrupt, loss of hearing, and at it probably doesn't stop at that either. And yet here was the same person speaking in front of hundreds of people with such a profound knowledge of business and systems procedures that I tuned in immediately, but with a focus and perseverance that ran so deep as to extricate him from every excuse that could ever be thrown in someone's path!

I decided to undertake the programme Stephen had on offer that day, which was a series of ready-made websites in that had been developed with the a corresponding e-book and autoresponder series that were ready to go. What wasn't provided was any customisation that you wish to add to the website, plus the online marketing techniques that would be provided along the way, as well as ongoing teleseminars and regular visits to meet his UK students.



This was exactly what I was looking for to compliment my property business. As he mentioned that one of the niche-market products was on sewing, I immediately thought of my 88-year-old aunt in Australia who had decades on sewing experience. She would be the focal point of the website, as she was still healthy and highly active in mind and body even at her age. As soon as I could, I grabbed that pack from the table on stage, and the result of it has been www.i-sewing.com.

Everything that I was learning and applying to the sewing site I mirrored onto the Polish website. My mind was opening up to how to get that personal communication from a website to a potential customer. At last, everything was coming together as

things just seemed to click into place in my sewing and property worlds. As diverse as they may be, they are still just products or services that are being offered. It's just a matter of understanding how to go about communicating the message.

Suddenly the advertisements that I had previously laboured over were starting to draw attention and response back in the mainstream media in Medway and around London. I started receiving a much higher number of calls than what was previously the case. The way I was speaking to people over the phone also was bringing me the answers to my questions with ease and also no conflict or suspicion. It just seemed to have the flow that I had been searching for.

The same thing happened when I met people in person. What I had learnt was to answer most potential objections during the course of explanations, so that people were mostly left with the decision as to where they like both me and the house!

I even got my wife to listen in to how I was sounding, and got her to even take some of the calls. She was also getting the same over-the-phone information that helped separate the time-wasters from potential customers. Subsequent testing also backed this up, along with the scripts that we had been working and reworking on for so long! I felt like we had just hit a winning home run! Hindsight is a wonderful thing, but for so long I had been tinkering with various elements in the marketing mix that when it works you just know it works, and the market responds accordingly!

It's likely that I had gone a full circle from what Rick was saying in the beginning. I just had to find out for myself in my own way. It's strange to explain that it's not what you say; it's how you say it. The words you use and the way you ask a question can have such a profound effect on the way people respond. This is ultimately why we say that this is more a people business and not so much a property business. Understanding this in any business will help your business grow no matter what that happens to be.

My association with Stephen Pierce continues as he has followed my progress all along the way, and I can not recommend him highly enough for what he has done for me. There are a few of us that first met at the World Internet Summit of 2004 and

have followed each other's subsequent progress towards our respective success. Each of us know that we had to put in the effort to make things happen, and that we have also have come from the same humble beginnings to where we are today, and to where we are all heading in the future.

To be able to have people like Rick Otton, Stephen Pierce, Armand Morin, Ted Ciuba, Nik Halik, Jennie Armato, Alan Forrest Smith and many, many more people that I know personally has just been such an inspiring peer group to have around me. This is the path I have travelled that I can hardly believe has led me to share the stage with such noted experts. I even have good friends in Australia that would not even think it possible, but such things are possible if the burning desire is so irrepressible.

Is this something that you too can be doing? Only you will know the answer.

CASH FLOW INVESTING AND YOU

As I was going about my business developing the rent to own system I was expecting someone else to come onto the market and promote a working model in a big way to the masses. The whole process of doing this myself felt so painstakingly slow in comparison to what could have been achieved by someone with more local resources at their disposal than me and my one-man-band.

And still after all this time you could pick up the property classifieds from almost anywhere in the country and still not see anyone practicing rent to own as openly as what I have been doing. In Rochester, for example, I have been the one and only person doing this since 2003. With a population of around a quarter million, I still no competition at all in the area.

Even with all the costs I've had to incur during this research and development phase, including my marketing education, I still managed to realise a gross profit of around £200,000 from my first ten properties! Some of my customers have already completed their purchase, with others are due to complete shortly, whilst others again are just starting out.

If I had an instruction manual like The Rent2Own Pack at my disposal when starting out then I would easily have made even more. What Rick and I have done for the UK manual is to retain the universal information from the Australian version, but incorporate a very large portion of UK content based on actual experience in the UK.

If you are looking for a get-rich-quick solution to financial freedom, then that is not what the Rent2Own Pack is about. If you can find such a product in any field of wealth creation then everybody would be millionaires! Creating wealth more often than not is about building systems and businesses that will support and sustain you, even without your direct input at all times.

And if you are looking for hands-off investing then the Rent2Own Pack, and even property investing in general, is not for you either. What the Rent2Own Pack offers is a structured systems approach, filled with practical examples, on how to sell on a

lease option. It's the business model that I use, and what Rick's businesses use as well. You therefore have the opportunity to replicate that success using the exact same steps that we use.



The UK Rent2Own Pack

How successful will you be? Only you can answer that question. What I know is that you will not have to go to the same extremes that Rick and myself went to in order to give you a working model that you can literally pick up and read within a few days and get started, just like I did when I used Rick's Wrap Pack in Australia. You too now have the opportunity to apply the same cash flow investing strategies that have become commonplace in the rest of the western world for the last few years.

I personally know many everyday people that now do this full-time, such has been their success. Others choose to run this on a smaller scale, but without feeling dependent upon a day job for their cash flow survival.

Having a cash flow strategy to your property investing doesn't preclude you from buying properties to hold for capital growth purposes. In reality the two strategies compliment each other, one being for today's needs and the other for later life retirement.

Provided that you are willing and able to secure properties at true below market value and then find the right buyer to sell the same property using the methods explained in the Rent2Own manual, then you have almost always guaranteed your success as you learn the other steps that you need to be aware of. By working with a joint venture partner or even securing same-day bridging finance on your purchase, you can find that your overall costs can be minimal, or even profitable from day one!

If you are already investing in property then rent to own will add another string to your bow when you evaluate investment property. If you are just starting out, it can give you the cash flow that more important than a time-dependent capital growth strategy can give. As you are learning the ropes, you will get most of the benefits of property investing without the aggravations, like late payments, bad tenants, vandalism, voids, and so on.

This is has been a strategy that has worked for me, and could possibly work for you too. I hope that my story so far has given you an insight into how I've been able to leave my job and break free of the shackles that I felt my job was holding me in.

**I wish you too the best of success as you
seek to find you own path of success and
financial freedom!**

BONUS READER GIFT

Thanks for downloading and reading my book 'A Cash Flow Story – The Vision (Volume 1)'. If you know of someone who think it may help, please feel free to send them this book as your own gift to them. But what I have in store for you now is a bonus gift that will help your create your own Cash Flow Story.

I have put together a series of online videos that you can receive in 5 segments on a daily basis that will answer some of the most common questions that I get asked all the time. Let's separate the fact from the fiction and explain things clearly and concisely.

These are the 'what if' questions that never ever end. Let's break the fear once and for all. Let's move ahead from today with certainty rather than allowing fear of the unknown hold us back.



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Christine Blackledge

"Remarkable technologies will amaze the most dedicated sceptics" -Anthony Robbins

A large group photo of many people in business attire is shown at the bottom of the advertisement.

[Click Here To Attend Passion2Profit UK](http://www.Passion2Profit.co.uk)

Everything is a system! Each business is made up of a series of steps, processes and procedures. Your business is no different! When I started my property business in 2002 I had no working knowledge of the property industry, yet was even able to develop the systems that became the nucleus of "How to Buy a House for a Pound" in the United Kingdom!

What I did have was 20 years working experience of business systems from many different industries. Now for the first time, I will be sharing with you how you can bring the business inside you to life! In conjunction with my business partner, Joel Bauer, I am presenting Passion2Profit in the UK for small business owners just like you!

This transformational weekend will fast track you through all the essentials to turn your passion into profit, live life on your own terms, and not remain a slave to your job!