
Real Estate REBEL



By Kipp Murray and Bert Bodeewes

For many people, making a living is about punching a clock in the predictable confines of an office cubicle. Not so for real estate investor Todd Dotson. He found his career calling in a most unlikely place. In fact, it was within the boarded-up walls of an abandoned house.

For real estate investor Todd Dotson, an “abandoned” house isn’t merely what the name implies. It’s an exciting opportunity to “Get In, Get Out, and Get Paid.” Dotson’s unconventional “Special Forces” style of investing has set him apart from the rest of the real estate experts, and filled the pockets of thousands of his students across the country. But his message of how to achieve financial independence with real estate didn’t start with a glossy book and a wall full of glittering credentials; it started with a late-night infomercial and a lone duplex in Modesto, California.

In 1988, Dotson was a recent newlywed, and was attending San José State University in pursuit of an English degree. After graduation, he was on track to obtain his teaching certificate and step into the world of higher education. He was also a highly recruited basketball player in college, and even envisioned himself going into coaching. But, after attending a real estate seminar that year, Dotson’s life plan took a much different turn.

“When I see an excellent opportunity, I’ve always been the kind of person who isn’t afraid to throw the ball down the

field and get after it. And that's exactly what I did," Dotson says.

Turns out, this was the best business decision he's ever made. But this journey he was embarking upon wouldn't be as easy as sticking a 'for sale' sign in a front yard and waiting for the checks to come rolling in. He was entering a world filled with promise, but one that was lacking in results.

"I saw that there were plenty of real estate experts who were pitching their own brand of real estate investing that would get people in what I call, 'the high of the buy.' That wasn't the way I wanted to teach real estate. I believe that people need a plan. But they don't need just any plan. They need a 'battle' plan," Dotson says.

So Dotson decided to model his own real estate strategy after the tactics of the U.S. Navy SEALs, the elite Sea, Air and Land Special Operations Forces that are employed in direct action and unconventional warfare.

"The SEALs are very well trained. They have the best gear, the best Intel, and they're very target specific. I decided to teach my real estate techniques based on the same principles," Dotson says.

So, in 1997, he started teaching his industry-famous wholesale buying boot camp on how to build wealth by successfully flipping properties. Then, in 1998, he developed the nation's first on-site real estate mentoring program – a program that doesn't just teach real estate success, but that actually brings it right to an individual's home market.

To date, Dotson has mentored many thousands of individuals on how to "Get in, Get Out, and Get Paid." With a



Dotson, second from left, at an event with longtime Tactical Real Estate® Team members from far left to right, Ty Valkanas, John Angell, Jim Staples, and Jim Neubauer.

portfolio that stretches across the country, his dream of financial independence has grown into something that even he never dreamed possible.

If you've ever wanted to step into the lucrative world of real estate investing – and actually walk away with a check – his proven "battle plan" might just contain the right tactics to help you get there.

Millionaire Blueprints sat down with Dotson recently to learn more about his company and to see how you can take his blueprint for success and make it your own.

Where did you grow up?

I was born in 1966 at the Alameda Naval Air Station in Oakland, California, and was raised in the San José/Bay Area. My dad is a Vietnam veteran, and he was a pastor for 30 years in California after he got out of the service.

Did your family have any influence on your becoming a real estate entrepreneur?

My dad and grandfather were involved in buying, fixing up, and selling houses on the side when I was young. My dad attended some real estate seminars and even took me to a few when I was in high school. But I really wasn't thinking about financial independence at that point.

Is your dad still involved in real estate?

Yes. After he retired, he became one of my trainers, or "mentors," as we call them, for my company, Tactical Real Estate® (www.tacticalrealestate.com). He helps individuals find real estate deals across the country and also helps me teach my Tactical Real Estate® Boot Camps.

Tell us about the rest of your family.

My wife, Laurie, and I have been married for 19 years, and we currently live in Arlington, Texas, with our three children, Bethany, 14, Andrew, 11, and Nathan, 8. As the business has grown, Laurie has become an integral part of

it. She wears many different hats at the office and does a great job.

Did you attend college?

I attended the Air Force Academy Prep School for a year on a basketball scholarship. From there, I went back and graduated from San José State University, earning a degree in English with an emphasis on teaching. I was planning on becoming a schoolteacher.

What inspired you to get involved in the real estate business?

In May 1988, when I was a junior at San José State, I saw a late night television infomercial featuring a real estate



Dotson, left, with his parents, Elaine and Randall on Tactical Real Estate's® 2007 Wealth Cruise to Mexico.

investor who was selling a course in real estate investing. It was geared toward a buy, rent and hold type of philosophy, where you would creatively finance a transaction, then the seller would carry the mortgage, or a percentage of the mortgage, and then you'd get in with little to nothing down. I was planning to be married in a few months, and saw this as an opportunity to start a lucrative career. So, I purchased my own set of books and tapes and became serious about it.

What was it about the course that sold you on real estate?

It excited me, and allowed me to buy into a philosophy that I could succeed in

real estate investing. But it was lacking in that it didn't have a step-by-step plan that you could implement in Any Market, USA. At that point in time, most courses didn't. This is still the issue today. So I was forced to assimilate things out of that course that would work for me.

Where did you do your first real estate deal?

Unfortunately, in the San José/Bay Area, where I lived, homes were selling for about \$300,000 and renting for about \$1,800 a month. The whole notion of buy, rent and hold so your property could appreciate over time didn't really work because there was no debt service

coverage. So my first real estate deal was a duplex that I bought in Modesto, California, about two hours away from San José in the Central Valley. It was "cosmetically distressed." In other words, it was a classic fixer-upper property.

Was it a nothing down deal?

It was a nothing down deal for me. Since I obviously didn't have any money, I partnered with a friend from college named Sam Fotopoulos. His family offered to loan us the cash for the down payment. Then, we used "creative financing strategies" to finance the rest. We bought the duplex for \$89,000 with 10 percent down. The seller agreed to carry 10 percent of the sales price as a second mortgage. We then spruced it up a bit, rented it, and we were on our way.

Can you define "creative financing strategies"?

Creative financing strategies are typically defined by the seller/owner carrying some, or all, of their equity/sales price in an owner-financed arrangement. This may be a straight mortgage/deed of trust and promissory note, or may be an alternative instrument such as a contract for deed or wraparound mortgage.

How does that work when the seller carries a percentage of the mortgage?

Oftentimes, a seller will carry some of the equity to help make it easier for the buyer to purchase the property. For example, the owner of our duplex owed \$50,000 on the property. To make it easy for us to buy, he said, "You don't need to cash me out with your primary lender. I'm willing to carry 10 percent of your purchase price as a second mortgage, and then you can make monthly payments to me as if I'm the bank." It's basically a form of owner financing on a portion of the asking price. That made it easier for us to go in and qualify for financing on the first mortgage.

How did you guarantee your creditors that you could pay them back?

Sam and I were both working part time at Wells Fargo, fixing teller

machines. We had good benefits, a flexible schedule, and were paid pretty well. We both had good credit, so we combined our incomes and our credit scores. We were young and didn't consider the possibility of failure. When you're only thinking about success, it allows you to take that initial step. It's been an interesting journey that all started with that one step.

Did you fix the duplex up on your own?

We painted the exterior, landscaped the property, and fixed the fence. Some light plumbing and electrical work was also necessary, but we weren't qualified to do that, so we outsourced it. We spent about \$5,000 or \$6,000 on renovations.

How did you budget for the cost of the renovations?

I had previously held a summer job working for a drywall company, so I was familiar with construction costs and evaluations. I was able to assess what we were going to need as far as getting it prepped. I figured we were buying this house for \$89,000, so we needed about \$9,000 down. Then we might need \$3,000 or \$4,000 in closing costs – and then \$5,000 or \$6,000 to renovate it. I knew, going in, that we would need at least \$17,000 to get the project moving.

Since you were in a partnership, how did you divide the profits?

We followed a principle that I still teach today. When you partner with people, it is always “first cash in, first cash out.” So, when we eventually sold the property, we paid back the down payment monies that Sam's family had loaned us first. Then, we split the equity evenly per our partnership agreement.

Did you purchase any more duplexes?

Yes. I was able to pick up a few more duplexes in the Modesto area. At that point, I was really geared toward continuing to buy these duplexes, because I was making maybe \$100 a



Chris Cates, Vice President of Tactical Real Estate®, left, with Laurie and Todd Dotson on the company's 2007 Wealth Cruise.

month off each one. It wasn't a lot, but I thought that they would increase in value over time. Eventually, my wife and I bought our own home in Modesto in December 1988 so we could be closer to the properties.

How did you find these initial properties?

Most of what I learned from that first real estate course was how to find deals through the classifieds section of the newspaper. For instance, I'd look for ads with short phrases like, “Owner must sell. Needs work. Fixer-upper. Property needs TLC.”



Dotson, left, with his first real estate partner and longtime friend, Sam Fotopoulos, on a 2007 trip to Las Vegas. Dotson and Fotopoulos bought their first investment property while they were still attending college.

What was your next move after you and your partner purchased those first few duplexes?

By that time, I was sold on this philosophy that you could prosper on residual income from rental properties. I went ahead and bought about 100 rental properties in Texas, because my total purchase price in Texas was, in most cases, equal to what my down payment was in California. Then, in January 1993, I moved to Texas and acquired 100 more during my first year here.

Where did you buy these properties?

The only locations where you can buy properties and rent them with some degree of positive cash flow are in low- and moderate-income areas. Collecting rent checks proved to be difficult. I didn't like feeling as though I needed to extract money from the people I was renting a home to, instead of just collecting money from them.

So, is buying a property to rent a worthwhile endeavor at all?

I think it probably makes sense for some people. But, when you're talking

about buying a property, fixing it up, and renting it out, there's so much entanglement involved. You have to go out and find the property and then finance it, which, in many cases, requires a down payment. Then, once it is fixed and rented, you have to hope it increases in value. That's exactly how I started out. But, somewhere along the way, I learned that there was a better way to be involved in real estate without all the entanglement. That was the genesis of my "Get In, Get Out, and Get Paid" business model.

Explain what "Get In, Get Out, and Get Paid" means.

I teach people to focus on using real estate as a vehicle to generate immediate, spendable cash. I can locate a target property, find the owner, formulate an offer (get it under contract), find the buyer, and then quickly flip it to another real estate investor who is building a portfolio of homes they want to fix up and rent, or fix up and sell. It's "Get In, Get Out, and Get Paid." In essence, I become the supply side for the other investors out there who are starving for real estate opportunities like this.

Why is this such a great way to invest in real estate?

Because it's the easiest way for someone to get started. They don't have to worry about whether they have the money to fix a property up, how long they'll have to make payments until it resells, or whether they can rent it.

You have a tagline that reads, "What if the Navy SEALs taught real estate?" How did you come up with that?

A student who came through my training years ago, and who is now a trainer on my team, was a Navy SEAL. So, I'm very familiar with the SEAL teams. They are very well trained, and are very target and skill specific. They are also highly focused on tactics. I teach real estate the same way. You can be a smart investor in the real estate business, but you can still be broke if your mind is cluttered with nothing but strategies. I teach my students that strategies are not what count; it's implementing the tactics that gets the job done and makes an individual successful.

How did you come up with your slogan, "The checks don't lie"?

I developed that slogan because students who have attended my boot camps, and who have been successful using the system, started sending me copies of checks that they had earned from their property sales. They showed me that the training works. So I started cataloging all of their checks. Anyone can give a testimonial and say, "I was excited when I left your training, and you're the best." But if their life has not changed 30 days or 90 days later, and if there is no evidence of success, then what good was the training? So, "The checks don't lie" is a way of not only saying that it works, but also proving that it works. You can't refute a check.

So, what are the best targets for people to start buying?

I'm a big advocate of "buy it ugly, and sell it ugly." Rundown homes that are boarded up, vacant, abandoned,



Dotson is shown here teaching his own brand of real estate investing to a large national audience at one of his recent Tactical Real Estate® boot camps.

and just plain ugly are the best targets for people to start with. Because of the property's condition, they will have no marketable demand. Real estate agents typically don't want to list them because they can't be easily financed, they can't be easily insured, and there's little to no commission involved. This allows me to buy the property at a deeply discounted price, and then turn around and sell it for a substantial profit.

How do you determine whether a house qualifies as being rundown?

If you are unsure whether a house is rundown, then it probably qualifies. Almost anything sells in today's market.

How do you locate rundown homes?

The first step is to get in your car and drive around the low- to moderate-income neighborhoods in your area. Once you find a home that qualifies, write down the address. Then find out who the owner is, so you can make a cash offer to buy it. By actively searching for these target properties, and ultimately finding the sellers, you're going to get paid quickly and predictably.

How do you get the owner's name and contact information?

The easiest way is to access your city or tax assessor's Web site. If you don't know where that site is, you can go to www.netronline.com to see if your particular city is online. Once you have the Web site, plug in the address for the property you're curious about, and you will find the owner's name.

What if my tax assessor's office is not online?

If your city is not online, there are private services you can subscribe to where you can actually purchase mailing lists that show the occupants' and/or the property owners' names in a particular area. Several that we use are: www.melissadata.com, www.dataclick.com, www.facorelogic.com, www.infousa.com, and www.merlindata.com. Some of these sites are free, but most require payment.

What's the best way to contact these sellers?

Contact them either by direct mail or by phone. I prefer direct mail. I've designed a series of easily identifiable postcards that I send out on a monthly basis. The key is to select the right target, and then the target will oftentimes dictate the strategy.

Once you've made contact with them, what is your pitch?

I tell them that I'm a real estate investor, and that I buy problem properties just like theirs. Usually they're very eager to sell because of the rundown nature of their home. They're in a catch-22 situation, and are, what I call, "opportunity-challenged" sellers.

Do you usually make the sale on first contact?

A lot of times, it's not the first point of contact when the seller finally says "yes." Maybe it's the second, third, or fourth contact. When a seller tells me "no," I don't become discouraged. A "no" answer today is potentially a "yes" tomorrow. So, I stay in front of them and, most of the time I get that call that they are ready to sell. If you stay in their decision cycle, you'll have success because the flip is always in the follow-up.

How do you determine what to offer for the house?

I use comparable sales in the area and market trends in that city to show people how to determine what a property is worth. We don't teach people how to determine what the property is worth *after* it's repaired. We teach them

Dotson personally designed this one-page "Offer to Purchase" contract to quickly and easily finalize deals with prospective rundown home sellers.

to determine what it is worth in its ugly, "as-it-sits" condition based upon a price per-square-foot. We then make an offer as a percentage of the "as-it-sits" value.

Give us an example of a typical offer.

Say we're looking for homes that are rundown in Pittsburgh, Pennsylvania. Near Pitt University in the Hill District, you'll find plenty of rundown targets. In that particular market, a typical offer is between 55 cents and 60 cents on the dollar. So, if a house is worth \$80,000 in its ugly, as-it-sits condition, I would make an offer of 60 percent of the value

OFFER TO PURCHASE REAL ESTATE

BE IT KNOWN, the undersigned, _____ (Buyer), offers to purchase from _____ (Seller), real estate known as _____, City/Town of _____, County of _____, State of _____, said property more particularly described as: _____

The purchase price offered is \$ _____
 Deposit herewith paid \$ _____
 Balance at closing \$ _____
 Total purchase price \$ _____

This offer is conditional upon the following terms:

- This offer is subject to Buyer obtaining a real estate mortgage for no less than _____ payable over _____ years with interest not to exceed _____% at customary terms with a firm commitment thereto _____ days from date hereof.
- This offer is further subject to Buyer obtaining a satisfactory home inspection report and termite/pest report within _____ days from date hereof.
- Owner shall pay broker _____'s commission of \$ _____ upon closing.
- Said property is to be sold free and clear of all encumbrances, by good and marketable title, with full possession to said property available to Buyer at date of closing.
- The closing shall occur on or before _____ at Buyer's title company or attorney's office, unless such other time and place shall be agreed upon.
- In the event that the Buyer does not perform on said agreement, the Seller shall retain current money deposit as their sole remedy under this agreement.
- Other terms: Subject to Buyer's walkthrough and approval of walkthrough within 11 days of acceptance. Any disapproval will be provided in writing. Buyer and seller to pay normal closing costs. Seller to provide Buyer with access to property upon acceptance.
- This offer shall remain open until _____ o'clock, _____ and if not accepted by said time this offer shall be deemed rescinded and deposits shall be refunded.

Signed this _____ day of _____, 2008.

Buyer: _____ Date: _____
 Seller: _____ Date: _____

Subscribed and sworn to before me this _____ day of _____, 2008.

Notary Public, State of _____ My commission expires _____

© 2008 Todd Dotson Training Systems, Ltd. 1400AZ000E



Dotson's unique blend of creativity, coupled with tenacity, helps him lock in and target his real estate deals using direct mail pieces like this.

of the home, which is \$48,000. I could flip the script, and we could go into East San José, California, by James Lick High School. There, the ugly, rundown homes aren't \$80,000; they're \$400,000. In that market, we're offering between 70 cents to 80 cents on the dollar.

Are these offers in line with offers for other parts of the country?

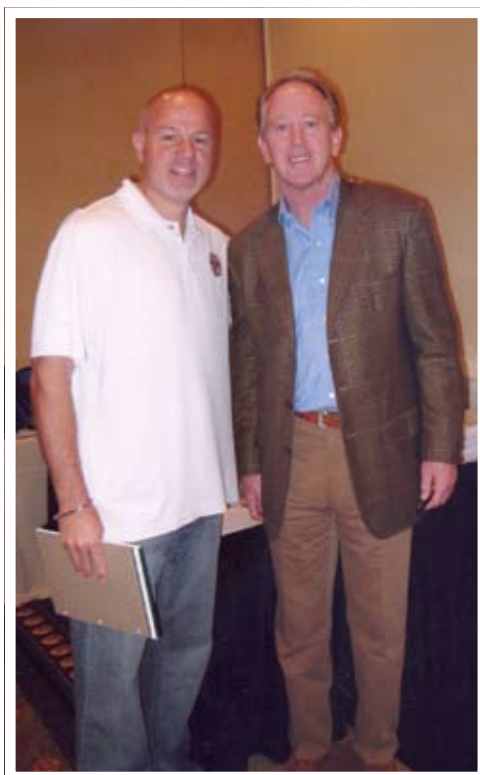
Every market in the country is different. For example, in Fort Worth, Texas, we're offering 50 cents to 55 cents on the dollar. In Dallas, it's about 55 cents on the dollar. On the West Coast, it's about 70 cents on the dollar, and on the East Coast, it's about 50 cents on the dollar. In other areas of the country, we're buying properties for between 40 cents and 70 cents on the dollar.

How do you make a cash offer if you don't have any cash?

Just because you're making an all-cash offer, doesn't mean the cash is coming from your pocket. Ultimately, it's the investor's cash that will actually cash the seller out. You just need to know where to find these cash-paying investors. Since my company has now offered in every market in the country, I know where the investors are in those markets, and who has cash. These are people who either didn't find the house – in other words, one of our students beat them to the punch – or they didn't want to take the time to find the house. They'd rather pay somebody else to do it for them.

Don't you have to put up some kind of good faith money in order to get a house under contract?

Technically speaking, a good faith deposit is required in order to bind the contract. Oftentimes, I find that opportunity-challenged sellers just want to



Dotson, left, at a recent event with Archie Manning, father of Superbowl MVP sons, Peyton and Eli.

close the deal. Many times, I've actually put a property under contract without any exchange of earnest money. Of course, if the person wanted to back out of the contract, they could. But never, in all my years of doing this, has anyone backed out of a deal because I didn't provide them with earnest money. So it's not something that is essential when you're dealing with these ugly, inexpensive houses.

What if there are other buyers competing for the same house?

You're not going after a house that 10 other people are clamoring for. Where you typically see that kind of feeding frenzy is with the nicer homes in newer areas. It's true that other people may be sending postcards to the seller. But the fact that you are staying active in their decision cycle differentiates you from other buyers. That almost always guarantees success.

What if the seller doesn't accept your price?

Because I've done my research for each area, I can easily substantiate my offer based on comparable sales, and on what the house is actually worth. So if the seller is asking too much for the property, then I can say, "Here is what properties are selling for in your area." If the seller is still resistant to my offer, then obviously, there's nothing I can do, and I'll walk away. But, again, I always stay active in their decision cycle.

What kind of contract do you use to secure a house?

We have a one-page contract that I have developed and used for years. It's what I call the "cash contract," because I'm making cash offers for these properties. Remember, your first level of target is the home that has no marketable value. These are homes that real estate agents typically want nothing to do with. If we were to pursue homes that are listed with a real estate agent, then the Board of Realtors would require us to use their Board-approved contract.

So, who wants to invest in a rundown property?

If you look at a low-income neighborhood in Anywhere, USA, about 80 percent of the people who live there aren't property owners; they're renters. Who are they renting from? Landlords. So right there you've got an investor. This is true from coast to coast. As a matter of fact, about 90 percent of real estate investors today are looking at rundown houses in low- and moderate-income areas so that they can buy, fix, and rent, or, in some cases, buy and sell.

How do you track down landlords?

This is accomplished through the tax records, along with filed eviction notices at the courthouse.

Are there any other types of potential investors?

Another possibility is the "We Buy Uglyhouses" (www.webuyuglyhouses.com) people. Look in your area for the big yellow billboards. They're hard to miss. It's a good organization. They've got good branding and marketing, and cash on hand. But they're slower to the punch. If you can drop in quickly, and get the property under contract, they don't mind paying several thousand dollars for the right to step into your shoes and fulfill the contract.

Would it make sense for someone to put an ad in the business opportunity section of the newspaper stating that they are looking for investors to invest in ugly houses?

Sure. You can put an ad in the paper. If you do that, I would advise you to run a "loss-leader" type of advertisement. I'd have it read something like,

"Investor Special: three-bedroom, one-bath house, 40 percent below market value, sold on an all-cash basis." Investors will call. When they do, have them fill out a profile sheet to add them to your investor database.

What is a profile sheet?

A profile sheet is basically a one-page Word document that identifies who the potential investor is and what his or her buying preferences are. It lists their contact information and asks a myriad of probing questions like: What types of properties are you looking for? Do you like to buy them rundown where you can fix them and rent them? How much cash do you have to work with? With this information, I'm able to get a snapshot of that investor's interests and their qualifications. So, as you develop your investor database, you begin to fine-tune what their wants and needs are. Then it's literally like taking orders.

Do you have your own network of investors across the country?

Yes, and we also show our students how to build their own networks. Because we've been in every market, we're able to set them up in their local market. When I train students how to find the targets and the investors in their own cities, they are not only building their own investor database, but I'm building mine as well, which makes me a better instructor.

What if an investor wants you to fix something in the house before he'll buy it from you?

We market to investors who are looking at buying below value so they can fix it up themselves. If an investor says, "I need the property fixed up," then I would most likely say, "You know, this opportunity is not for you. If that's what you're looking for, then I can go out and find that type of property for you."



Dotson, center, is shown here after doing a parachute jump with former Navy SEALs Joe M. and Ty Valkanas. Both Joe and Ty are "Tactically"-trained real estate investors. Ty is also a member of Dotson's on-site mentoring team.



Dotson teaches individuals his tactics on how to “Get In, Get Out, and Get Paid” in real estate investing.

How do you know what to sell the house for?

I let the market dictate that. Once the property is under contract, I mark the property up between 20 percent and 25 percent. If I have a \$100,000 house under contract for \$55,000, I’m going to start my marketing at \$70,000 for that house. Even at that price, without any negotiation, the buyer is still getting a good deal at 30 percent under market value, which generally gives them enough financial working room to be able to fix it up. Of course, I’m going to run with the highest offer.

It sounds like your offer is also designed to benefit the investor.

Most of what I do is to provide a great opportunity for another investor.

Let’s say we take that same house that’s worth \$100,000 in its ugly, run-down condition, and it needs \$25,000 worth of work. If someone buys it at market value and puts \$25,000 worth of repairs in it, it would be worth \$150,000. If I can buy that home in its ugly and deteriorated condition for \$55,000, get it under contract, and hand it off to an investor for \$70,000, they’re buying the property at \$30,000 below value. After they add in the \$25,000 for renovations, they’re still \$55,000 below the final value of the home. It’s a win-win situation for everyone.

Once you have a seller and a buyer, how do you close the deal?

The easiest way is with an “assignment of contract.” First, I get the seller to

fill out our one-page “Offer To Purchase” contract. Then, I take it to the title company and ask them to research the title to make sure it is clear and marketable, and also to determine that it can be transferred to me or to my buyer. I fill out the “Offer To Purchase” contract in my name “and/or assignees.” Once I have an investor, I’m going to use that particular clause to re-assign the contract to them, and they are going to pay me a fee to step into my shoes. Once the assignment contract is complete, I take a copy of it to the title company. I then advise my agent that I’m no longer purchasing it, and that I’m assigning the contract over to the actual buyer. At that point, the title company prepares the closing documents between the seller and the actual buyer, and I’m out of the picture. So I don’t go to the title company’s office to close the deal; the investor does.

Are there any other ways to do this?

Yes. A double closing is when I have an “Offer To Purchase” contract with my seller, and then I have an actual contract to sell with my investor/buyer. In a double closing, you’re buying and selling the property on the same day. The title company coordinates my purchase from the seller and then my sale to my investor all simultaneously – although the parties aren’t in the room at the same time.

What is the average timeframe for flipping a house?

Since most of our contracts are cash contracts, we’re slated to close on, or before, 30 days. However, I’ve had people literally flip houses on the same day they got them under contract. After you’ve been doing this for a while, you will have built an active list of buyers who always purchase from you. So you’re able to sell the properties quickly.

What happens if you can’t find a buyer for the house?

I’ll just renegotiate for more time. After that, we’re almost always able to turn the property and get paid successfully.

Are there any parts of the country where this type of strategy won't work?

You can flip houses in any market in the country. There is profit to be made everywhere. However, if you start getting into rural areas where you only have a couple thousand people, it becomes harder because you don't have the inventory or the investor population. I've found that within an hour of a rural community, there is almost always a metropolitan area that has a workable population center.

Are there any other ways to find properties to flip?

Sure. Instead of problem properties, you can pursue "problem owners." This is a situation where the house looks great, but where the owner is personally distressed. Generally, it's a result of a job loss, a divorce, or foreclosure. You have to target these people differently. You can't target them by just driving through the neighborhoods.

How do you find out who these types of people are?

You can obtain a list of people who are in pre-foreclosure in whatever area you're working in. The easiest way to get this list is to do a Google search on "pre-foreclosure lists," or on "pre-foreclosure opportunities." Once you have the list, get in your car, drive to their home and knock on the door. That's the tactic we use. We take the action directly to the seller. As a result, our success is much greater.

So your recommendation is to start with houses in lower income areas?

If I just wanted to sell books and tapes, I'd tell people, "Listen, start with the mansions. You're going to make a million dollars." In that case, I'd be giving you the "high of the buy." So many real estate marketing experts advise you to go out and buy high-end properties so you can build wealth. What they fail to tell you is that if you can't take care of your cash needs, and if you don't have an above-average income from your

occupation, then you won't be able to afford the ups and downs of the market. Ultimately, you won't survive your portfolio. So I teach just the opposite – start out with rundown homes and work to build up your portfolio.

What kind of marketing do you do to promote your real estate system?

I've been lucky. I'm not a great marketer, but great marketers have marketed my training for me. For example, Russ Whitney marketed my training exclusively for five years. At the end of that period, Robert G. Allen picked it up and started marketing it. I've also spoken at some of Robert Kiyosaki's events. And, I've trained a lot of Ron LeGrand's students. These guys are the people who excite you about real estate, and then they usually outsource the real estate training – this is where I would come in. I did the training. Through this, I have been able to build a business and a great reputation based on what I delivered.

I've been asked to come in after their initial seminars concluded to follow through and actually host the boot camps, and teach my on-site mentoring program to individuals who have attended these seminars. In other words, I have been the outsource provider for a lot of their training. I did this for about a year and a half, and played a big part in the overall package that was sold. It was a great branding process for my company. Now, my company is going direct to the public.

Why do they choose you to conduct their training?

They outsourced to me because I have something that is unique, field tested, and provable by way of the checks. A lot of the real estate experts are brilliant marketers, much better than I am. Yet, when it comes to actually being an operator – being a fighter in the trenches – that's my specialty. I have successfully mastered real estate challenges in every major market in the country. I've actually been to your city and to your market. I know where to go in your market,

because I have led other people in your area on this journey of buying and selling real estate to create immediate cash. No one else can make that claim. So it's easy for me to deliver the training.

How many employees do you have today?

Most of our mentors are independent contractors. They're strategically located across the country. I've had as many as 30 people on my team at a time. We also have a number of staff members who help handle day-to-day operations in our local office.

Do you consider yourself a real estate "rebel?"

I've definitely been a rebel in this industry, because I do things differently. People entrust their money, their time, and sometimes their financial futures to me. While I can't guarantee that everyone is going to be successful, I at least owe them – from a standpoint of integrity – a battle plan that they can use to become successful.

If our readers have a property they want to sell, can they contact you for help?

Absolutely. The best thing they can do is contact one of my students in their area. They can help someone liquidate a property quickly. Conversely, if someone is looking to buy a property to fix and rent, or fix and sell, my students may be able to help as well. We have a new Web site called We Buy The USA (www.wantedhouses.com) that is specifically designed for this type of situation. It is a great way to network with people who have been trained to buy and sell houses.

Todd Dotson has made his way to the top of the real estate world with a lot of hard work, a keen sense of real estate savvy, and his underlying philosophy to "Get In, Get Out, and Get Paid." But he hasn't done it without some setbacks along the way. As a matter of fact, Dotson believes that failure is good for success.



The Dotson family from left, are, Laurie, Todd, Bethany, 14, Andrew, 11, and Nathan, 8, center front.

“In one of John Maxwell’s books that I read years ago, he said that you should condition yourself to fail forward, because failure is part of the process. As long as you’re failing forward, you can use that as leverage to go on and be successful.

“Many people experience setbacks that stop them dead in their tracks. It’s hard for them to get restarted and build up that momentum again. You have to understand that setbacks are going to happen, that letdowns are going to happen, and that failures are going to happen. It’s how you deal with it all that determines your success,” he says.

Dotson advises entrepreneurs who want to start flipping properties not to try taking on their entire city or their entire real estate market. Choosing one

or two neighborhoods that have rundown properties, and focusing only on those is the best way to get started, he says. He also advises individuals never to become discouraged.

“Statistically speaking, most real estate investors don’t survive their first portfolio of income-producing properties. However, if you set your goals, and work aggressively with the right tactics, you’ll achieve success and find big money in this business,” he says.

But don’t just take Dotson’s word for it; ask one of his many successful students who are happily taking their share of the lucrative real estate pie. Because, when it’s all said and done, “The checks don’t lie.” MB

RESOURCES

After college, Dotson went from the one being taught, to the one doing the teaching with his “Get In, Get Out, and Get Paid” real estate battle plan. Ten years later, he has staked his claim on the real estate gold mine from one end of the United States to the other. If you’re looking to profit in the world of real estate, we think these resources will help get you moving in the right direction.

MORE INFORMATION ABOUT TODD DOTSON

Todd Dotson Training Systems, Inc.
Tactical Real Estate®

Phone: **1.800.RE.DEALS**

www.tacticalrealestate.com

Check out this Web site for first-hand information on Todd Dotson’s company, Tactical Real Estate®.

Get In, Get Out, and Get Paid
www.getingetoutgetpaid.com

This Web site explains how you can “Get In, Get Out, and Get Paid,” and offers free information and training.

We Buy The USA
www.wantedhouses.com

If you have a property you’d like to convert into quick cash, check out this Web site for more information.

The Real Estate Investor 911

Teleseminar

www.realestateinvestor911.com

Visit this site to register for a free teleseminar featuring Dotson and two other top real estate experts, Dolf de Roos and Andrew Waite, who show you step-by-step how to create spendable cash in today’s market. Also learn how you can see Dotson live in a city near you.

Dolf de Roos

www.dolfderoos.com

Wealth Cruise

www.wealthcruise.com

This site provides all the information you need on Dotson’s annual Wealth Cruise for Entrepreneurs.

REAL ESTATE PUBLICATION

Personal Real Estate Investor Magazine
www.personalrealestateinvestormag.com

This Web site provides information on this newsstand magazine that is devoted to investors and home ownership.

MISCELLANEOUS

REPS Training
www.repstraining.com

Check out this site for information on a sports performance training and extreme fitness company founded by Dotson and Steve Senay.

Robert Bussey & Associates
www.robertbussey.com
Provides strategy/team building and problem solving skills for companies around the world.

REAL ESTATE TOOLS

Real Estate Words
www.realestatewords.com
 This site provides definitions to help you understand real estate terminology.

HomeVestors
www.webuyuglyhouses.com
 If you're looking for a buyer to flip a rundown house to, you might consider shopping this company.

First American CoreLogic, Inc.
www.facorelogic.com
 Offers property profiles, maps, automated valuation models, legal and vesting information, document images, profiling and lead generation tools, market analysis, statistical information, multiple listing services' applications, aerial photographs, and custom research services.

DataQuick
www.dataquick.com
 Provides individuals with "the necessary tools to make key business decisions, analyze opportunities, minimize risk, and estimate the value of virtually any home in the United States."

Real Estate Forum
www.realestateforum.com/
 Post any question on real estate here, and get opinions and advice from experts across the country.

HUD Homes for Sale
www.hud.gov/homes/homesforsale.cfm
 The U.S. Department of Housing and Urban Development's official list of HUD homes available for sale across the United States.

PUBLIC INFORMATION SEARCH

NETR Online
www.netronline.com
 The real estate public records and research information portal for

property information, deeds and mortgage copies, tax records, parcel maps, assessment records and public records nationwide.

DataClick™
www.dataclick.com
 Website devoted to "a bundled services platform that is a top 20 provider of professional credit reports and mortgage settlement services."

Merlin Information Services
www.merlindata.com
 An all-inclusive public records company that provides asset information quickly and affordably.

CourthouseDirect.com
www.courthousedirect.com
 Provides links to courthouse records, as well as images of real estate property records nationwide including deeds, mortgages, liens, oil and gas leases, abstracts of judgment, releases, and bankruptcies.

infoUSA.com
www.infousa.com
 A leading provider of business and consumer information products, database marketing services, data processing services, and sales and marketing solutions.

Melissa Data
www.melissadata.com/lookups/index.htm
 Check out this site for a wide array of information services that are designed to help you find out who owns that rundown house you've got your eye on such as demographic information related to zip code.

FORECLOSURES

ForeclosureListings.com
www.foreclosurelistings.com
 Are you searching for foreclosures in your area? Look at this Web site for up-to-date listings in any part of the country.

Foreclosures.com
www.foreclosures.com
 Check out this database of foreclosure listings.

RealtyTrac
www.realtytrac.com
 Another free foreclosure listing Web site.

TELEVISION PROGRAMS

Flip That House
http://tlc.discovery.com/fansites/flipthathouse/flipthathouse.html
 Follow the actual flipping of a home step by step. Televised Saturday evenings on TLC.

Property Ladder
http://tlc.discovery.com/fansites/propertyladder/propertyladder.html
 The whole process of purchasing a home, restoring it, and then flipping it. Televised Saturday evenings on TLC.

CREATIVE WAYS TO RAISE CAPITAL

Raising Capital: Get the Money You Need to Grow Your Business
 by Andrew J. Sherman

LEGAL

Getlegal.com
www.getlegal.com
 Powered by TheAttorneyStore.com. This all-inclusive, one-stop Web site has a custom-built, legal-focused search engine and directory to help you locate information on, and sources for, any type of legal services you might need in the operation of your business

LegalZoom.com
www.legalzoom.com
 Developed by experienced attorneys, this is "nationally recognized as the No. 1 online legal document and filing service on the Web." Enables you to start a business, register a trademark, and much more right from your own home or office.

Millionaire Blueprints neither endorses nor recommends any of the companies listed above. Resources are intended as a starting point for your research.