

**EPISODE 320**

[INTRODUCTION]

**[00:00:00] ANNOUNCER:** Welcome to The Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

**[0:00:24.4] WS:** This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today, our guest is Mark and Tamiel Kenney. Thanks for being on the show guys.

**[0:00:32.8] TK:** Thanks for having us, Whitney.

**[0:00:33.7] MK:** Hey, Whitney.

**[0:00:35.2] WS:** Hello. I'm honored to have you both on the show this time. This is great and a great topic too that I know you all can speak to very well. A little about them in case you haven't heard of them. You should have. Mark's been on the show numerous times and we've heard about Think Multifamily and the big things that they are doing and helping so many people in this industry.

They're seasoned real estate investors, entrepreneur. They're the founder of Think Multifamily, they started over 20 years ago, have extensive experience in property valuation acquisition and operations, well over 3,500 units, top-notch reputation among multifamily investment, the whole community. That's for sure.

I see them at all the events. They're doing some amazing events, which you also need to catch up on and make sure you're connected with them, so you know about those events, so you can

learn about this business. I hope they're going to share a little bit about this as well before we get done.

Welcome to the show, Mark, Tamiel. This topic today of partnerships and how – you all work together as a partnership, but possibly other partnerships as well is very important. I know, I was personally hesitant to jump into partnerships in the real estate industry and business, and so I'm excited to hear about how you all have navigated this part of the business. Welcome again. Maybe you want to give us an update. Tell us this next event. I know it's coming up. Go ahead and tell us about when that's coming up and then let's jump into this partnership stuff.

**[0:01:51.9] TK:** Sure. Our next event is September 7<sup>th</sup> and 8<sup>th</sup> in Dallas. We're really excited for this one. We're constantly trying to change up contents and speakers to keep everything fresh. As always, when you enter a Think Multifamily event, we really want you to feel welcome and we want you to feel that you're at a different conference, because it's very family-focused and we just again, want everybody to feel part of the community.

**[0:02:16.8] MK:** We do a two-day deal analysis event as well. It's going to be mid-November in Dallas, so it's two full days. Bring your computer. No fluff. Still trying to make it as fun as possible, but it's still a little difficult with the deal analysis. Basically work through deals together for two days.

**[0:02:35.1] WS:** Nice. I know, go and question people probably of like, during that deal analysis, are they using your underwriting tool? Are they learning about your underwriting tool? Is that something you all are giving out at that event as well?

**[0:02:44.5] MK:** Yes, they do. They get as part of the event.

**[0:02:47.8] WS:** Nice. I get that question often like, “What tool are you using? What tool are you using? Whose is the best?” There's so many. Awesome. Well, give us some – I guess some feedback, or back up a little bit about your all's partnership and/or maybe give us some do's and don'ts, or maybe some things you've learned through the years of being – even just you all partnering together in this real estate business and I've heard some people on one side say, “Oh, no. You can't partner with your spouse in this business.” Other people say, “No, it's great,

right? She does this and he does that and it works really well.” We'd love to hear some of that and get right to it.

**[0:03:24.0] MK:** Yeah. We're both twins by the way, some identical twin. I always had a partner growing up. Even though we loved each other, best friends, we definitely got into some physical fights. Tamiel and I don't usually physically fight, which is good, but you experienced prior to the podcast we get a little bickering back and forth once in a while. For us, it was really more – I was doing IT, or the CPA. Tamiel had really little to no, probably interest or knowledge in what I was doing. Real estate was something we both shared a passion for. I had different set of skills than Tamiel.

I was more on the underwriting side and broker relationships and lenders and Tamiel was always more doing administrative, executive type stuff, more organized marketing, things like that. I would probably really, as far as skill set-wise, would complement each other very well and you can jump in too if you want.

**[0:04:24.4] TK:** Yeah. Just like any partnership, I think you're going to have your ups and downs and because everybody's personalities are different, how you communicate is different. It's just this learning process of how you learn to work together, how one person needs to understand why you're doing things a certain way. It really is a stance. Again, if you're married or not married, it's the same obstacles to overcome in partnership.

**[0:04:52.1] MK:** Yeah. I think you have to give control a little bit. If something's being done, let's say more of the marketing side or branding, maybe I don't like it or whatever. I can give suggestions, but ultimately –

**[0:05:02.5] TK:** Or complain about it.

**[0:05:04.0] MK:** Or complain, or constructive criticism.

**[0:05:06.5] TK:** Right. Then he'll eventually see things my way, since that's my side of the business.

**[0:05:12.5] MK:** Yeah, handing over control to her. I think one of the major things – it doesn't matter whether you're married or not. We have a coaching program with a lot of people that partner in that program. Every single case without a doubt, one person in the partnership does more than the other person. They just do and it's reality.

Now skillset-wise, it takes everyone to do it, right? All the skills have to be there. You shouldn't – Earlier on, I definitely thought my skillset was more important than Tamiel's. I mean, it could be even the marriage, right? Maybe the one going out working making money thinks is more important than the spouse staying at home, taking care of the kids, or whatever they might be doing. It's the same here.

Valuing somebody else's skillset and realizing that you're not the same. Reality is you're born a certain way, you have certain God-given talents. You can develop other talents, but really where your specialty is is really where you should continue to develop that further, my opinion become the expert in one or two areas. Don't try to be an expert in every single area of it, because you won't get started if you do that, frankly. You need to find someone to partner with.

**[0:06:25.5] WS:** I appreciate how you talked about though – that's her expertise and she's really making those decisions about the marketing, or branding, those things. You're going to make suggestions if you see something, or you're going to talk about it, but that's her part of the business, right? Or she's going to get the ultimate say there and you're going to get the ultimately say, probably over here in this part, but you're trusting one another, right?

You're trusting she's doing her best on this over here, while she's doing the same to you and not, I guess, micromanaging one another.

**[0:06:52.9] MK:** Yeah. I would say in a partnership on some aspects of it, if you talk more around and say it's we're married or not. Let's say we're not married. Say you and I partner together with me on a deal and we're 50-50 partners, that can be very tricky, right? Who makes a decision if we disagree on something?

If we have a skillset, but now you're talking about when you sell a property, when you refinance, those bigger decisions and you need to have a third party, you need agreement upfront, don't

care of any situation, no matter who it is it says, "Who is going to do what and who can decide on what and when?" If you can't agree, then you need a way to break that tie. Bringing a third party person in that is someone maybe both trusts, that can make that decision for you is required.

We have examples of this where unfortunately, earlier on we entered into some transactions just with one or two other people total, so two or three was involved in the deal. I want to do refinance. I want to sell a property. The other guys don't want to do it. Well, unfortunately, I didn't have all that in my pre-written agreement saying how we're going to handle those things. Literally, you're stuck.

We have a good friend that actually lives in our neighborhood too and he owns nine properties, like smaller, two to four units. He's been wanting to sell for six years, literally six years and his partner won't sell. It's our fault, right? Not having that in the agreement, but have all those things in there. Account for every single aspect of it. Get an attorney involved. Don't think you know all the aspects of it, but get an attorney involved upfront to handle all those things. Hopefully, you don't have to have those issues that need to be resolved, but you probably will at some point.

**[0:08:39.1] TK:** Our attorney says that you basically put everything in a contract, right? Plan for the worst and hope for the best. Just make sure it's in writing for every possible scenario.

**[0:08:49.2] WS:** Are there any other scenarios that you found just through many years of experience now that people probably still forget to discuss? Like, okay, who has the ability to make the final decision, or do we bring somebody else in? Or when do we exit? Who's getting paid what? Those things. Anything else that you all noticed that most people still forget, especially in the syndication business when we're partnering?

**[0:09:10.9] MK:** Yeah. I mean, one thing in particular, we know real examples of this where someone gets sick. I mean, it's unfortunate, right? If their role is to – these guy's a property manager, okay, so he's still managing the properties and he's terminally ill. Well, does he still get compensated and get paid? Does he still get the same equity? Does he still get the same monthly amount? You have to decide.

You might be, “Hey, yeah. I'm okay with that.” At some point in time if it goes on for an extended period of time, you're probably going to be like, “You know what? I'm not sure this guy should still be getting any.” It's not to be mean. It is a business. You have to decide personally how you want to handle that, but you need to account for it.

We have an example. I think this is tricky and we're not the only person to run this issue, but when you partner with somebody and they're also the management company, so they're serving as a third-party management company, or construction company, now you're a partner and now you want to get rid of them. Well, that's a pretty awkward situation. We've been through this situation with a partner. He was the third-party management company.

Fortunately, we had a board of directors set up with a total of five of us. He was one of the five and we actually voted him out. This particular partnership, we've done a lot of great partnerships. It's pretty good a partnership with nightmare. That's an understatement. He stole money. We removed him. He had things he never recorded in the books and people are like, “Well, how can that happen?” Well, you know what happens on a regular basis. Don't be naive to think, “Oh, I'm Mr. high-and-mighty, so it can never happen to me.” When you get in that situation, then watch out, because that's when it can happen to you.

We took all the right steps upfront, but he was a con guy and he didn't record things. He's liable. Unfortunately, we're in litigation, he actually passed away eight months ago, makes it even more difficult. That particular deal is in trouble, because of this. If you're going to be in business long enough, unfortunately, something probably will happen you didn't expect, but you need to just move on and do everything that you possibly can to make it the best you can, but reality is you might not have the outcome that you wanted.

**[0:11:24.5] WS:** Wow, what a lesson. What a lesson there for all of us as well. Moving forward, so have you said, “Okay, we're not partnering that way with any third-party management, because of that, or just to keep that from happening,” or is that still an option?

**[0:11:37.7] MK:** That is not an option for me. I'll never do it.

**[0:11:40.6] TK:** That's a new rule for us.

**[0:11:41.5] MK:** I'm not saying people can't be very successful and be happy with it. I would never do it again. Then this is a side note on that particular transaction, we bought into an existing LLC and I just got an e-mail three days ago and the guy said, "Hey, I hate this guy." Oh, I am offering memorandum from that broker saying, "Hey, you can buy the existing LLC. You save money on taxes." I did it once. I would never do it again.

People are like, "Well, why would that be? You can put things in writing." It doesn't matter what you have in writing. If you say I'm only liable from January 1<sup>st</sup> on, because that's when I bought it. If you get sued, they will still sue the LLC. It happened to us and you will be liable for that. No questions asked. You will owe money. All those sins from the past, record it or not. When they happen, even if they happened before you took over, will be your problem without a doubt.

**[0:12:36.7] WS:** Great advice. Okay, so never partner with third-party management. On that note exactly, or specifically, I've heard people say well, it's more of an alignment of interests, especially when talking to investors. Even our management company is invested in this deal, but sounds like you all learned that's not the best option. I've heard that as well. Obviously, it's going to be a lot more difficult to get rid of them, which you all have experienced.

One question about that I hear often as well and with the partnership with husband and wife, are you able to have time, or how do you do this where it's not business time? You turn the business off, because I don't know if you all work out of your home or not, but yeah, you do so. I would imagine that makes it even more difficult to like okay, we're turning the business off for a little bit just to be us over here and without – does that happen, or is that needed in this partnership, or how do you do that?

**[0:13:32.3] TK:** I think that is a great question and it's definitely a struggle for most entrepreneurs, right? This is really the age of the entrepreneur. More and more people are trying to quit their jobs and work from home. When you run your own business, you want to make sure that you're doing anything and everything you can, which means – tends to mean longer hours.

With Mark and I, this business we love it. We're passionate about it, so that's the one thing in general we have in common. That's one thing that we struggled with early in our marriage as we

had very little in common, so what were we going to talk about besides his business, which I knew nothing about. At least in real estate, with us both being passionate about it, we can talk about it during our work hours, during our non-work hours, which is very seldom, but if were a date night, that's what we want to talk about, because that's what we're both passionate about.

**[0:14:24.2] MK:** Yeah. For us, it's not as big of an issue because we do want to talk about it. Now if you're in a situation where some people are like, "This is a date night. We don't want to have to talk about work," that's fine. For us, we don't look at it as we're losing out on something else. No, it's been – there's no question that 90% of our discussions have to do – something related to work.

**[0:14:48.3] WS:** That's awesome that you're both passionate about it, and you both enjoy that, you both are pushing to do this the best that you can and it's not – or I guess, neither of you see it as this time that we're just talking about the other person's work constantly. You're both passionate about it.

**[0:15:03.1] MK:** Our kids too. Our kids are very involved, understand what's going on, seeing us go through struggles, how we've gotten through those and things like that. For us, it is really more of a family type business. They can choose to continue in it or not when they get older, but they're going to at least learn aspects of it and a lot of things are going to learn will be transferable to any business. So many things you learn can be transferred to any business at this real estate.

**[0:15:31.1] WS:** It'd be great to do a show just on how you all are implementing the kids and the business and stuff as well. What about vetting new partners now? I know you all had many partnerships now. You're in it successfully. How does that change and what do you do now to make sure that this is somebody that you want to partner with now?

**[0:15:48.1] MK:** Go slower. I mean, our attorney in Dugan will say date before you get married. It's a small world, so can somebody slip by? They can, and just reality. I think going very slowly, by end of the day, the biggest pieces having something in writing that you can remove somebody based on something is the ultimate, because you can do background checks, you

can ask for references and things like that. If someone wants – people are like, “Well, how can this happen?”

Well, look at the multi-billion dollar companies where people steal money. How can that possibly happen in a company like that? Well, if somebody wants to do something bad enough, they'll figure out a way to do it. It's just reality. If they're a bad person, they're going to continue to do things like that.

You get background check. You can ask around. You can post on different social media type of things, “Hey, has anyone worked with such as and such person, and things like that?” You have to take it with a grain of salt, as far as the feedback you get. I think the biggest thing is having something in writing that allows you to take action and not drawn-out action, where a property manager company, this particular gentleman wanted to stay there and said, “You can't remove me.” Well, we changed the locks and then it was like, “Well, you owe me money still for all the months that you would have owed me and things like that.”

Accounting for all those things like Tamiel mentioned, upfront and having the ability to remove somebody is really ultimate key.

**[0:17:24.4] TK:** I would say one thing we advise people as well is you can also do a background check, an extensive one, but one of the problems I find with that if you are putting all your eggs in that basket is that people can suppress previous lawsuits, or negative reviews on social media. I actually just got an e-mail sent to me yesterday, sent to some businesses, obviously just offering that service that we can suppress any negative reviews that you have from your company. We've seen it done.

I would say, definitely consider background checks, but don't put all your eggs in that basket. You still have to move slowly, ask around and make sure you have everything in writing.

**[0:18:03.3] MK:** I think another one is you can ask to talk with any previous partners they had, now whether they give the right person or not, but we've had partners before. This particular one, I would say, yeah, I would definitely say don't ever, ever partner. We had another partner

with somebody and he didn't really do anything wrong at all. We don't partner anymore for other reasons, but he didn't – it was like he did anything wrong.

There's a big difference between calling somebody and finding out, well this guy is unethical and stole money, versus well, we just didn't jive on our goals. That's a totally different thing, because maybe you are the new person coming in and your goals do align with that person. It's tricky. If someone wants to con somebody, they're going to get away with it at some point in time and hopefully, you're not the one they con.

**[0:18:53.0] WS:** Are there any other questions when you're just getting to know somebody that I don't know, you might ask that wouldn't be obvious for us to ask? I know, even hiring a virtual assistant. A lot of times, I'll ask even what their spouse does for work, or what they do on the weekends just for fun, just to get to know them a little bit. Anything like that that you all might ask, just to get to know them better?

**[0:19:14.0] MK:** Well, I think having a – you don't have to be the same, but I do think the more common things you have together makes it a more enjoyable partnership. It's not always business. We do business with people, but we also hang out with them. We do our cruise. We go to dinner with them. That's what we want to do. It makes it in my mind, if someone has – they don't have to have a family. If they do, reality is it's easier, because we have a family with kids. If someone likes cars or fitness, whatever, okay, I have a common thing with them.

The more common thing – It's a good point whether you partner with somebody, or trying to raise money from investors. I've had people that heard me on the podcast and said, "I only reached out to you, because you're a twin. I only reached out to you because you went to Michigan State University." Like, "Really?" Those type of things, the more common things you have with somebody, makes a partnership so much better.

**[0:20:08.4] TK:** When we're talking to potentially the new students, or partnerships, one of the things that draws me is if they're philanthropic, philanthropic. I don't know how you say that really long word. You like to give back, right? Charities, or mission trips, or anything that really connects with me. My mindset on that is if they're passionate about giving back to people,

they're a little less self-focused of what they can get out of the partnership and maybe it'll be a little bit more of a win-win.

**[0:20:37.3] MK:** Yeah. I mean, when we – the first time we really sat down with you for breakfast, right? We've discovered that you have adopted and we have as well. Does that mean we should go on partner together? Well, it means, it definitely makes a connection there, because it's there aren't a lot of people that have done that. It shows, do you want to say your heart, or do you want to describe it as a similar part as us. It's instant connection.

**[0:21:05.0] WS:** Yes. No, that's awesome. To pivot just a little bit, since Tamiel's never been on the show before, I'll ask you. What's the one thing that's contributed to your success?

**[0:21:15.4] TK:** I would say having –

**[0:21:17.3] WS:** Mark, right? No, I'm just kidding.

**[0:21:19.0] TK:** Yeah, right.

**[0:21:19.5] MK:** I was going to say that, but I didn't want to –

**[0:21:21.5] TK:** He was part of that. For me, I would say I'm totally different today than I was three years ago, because within the last several years, Mark and I have faced a lot of challenges; challenges in our marriage and challenges in our business. They were hard and sometimes in life you have to almost hit rock bottom and go through these things before you can start climbing your way out and being stronger because of it.

I'm a lot more confident in who I am now. Sometimes whatever is holding you back, like I used to be afraid to have a conversation with Mark, because he was so much more dominant in his thought process, he's witty, he's smart and educated.

**[0:22:05.0] MK:** You say it's past tense.

**[0:22:07.7] TK:** I was intimidated by that, right? I had to learn how to have my own confidence and get over the fear of projecting my thoughts and my emotions and let him understand where I was on that. My desire for change had to be greater than the fear of the things that were holding me back. Because of those challenges, I'm stronger, I'm better and I think our business and our marriage is stronger because of it.

**[0:22:33.9] WS:** Can you say that again? Your desire to change had to be greater than your fear of –

**[0:22:37.6] TK:** Of the things holding you back.

**[0:22:39.5] WS:** Wow. No, that's great. That's deep. It's good stuff.

**[0:22:42.2] MK:** She got that from me.

**[0:22:45.1] TK:** Of course, I did.

**[0:22:47.7] WS:** No, that's awesome. I just really appreciate how you all work together and sharing this. I know all of this – if you're going to be in the syndication business, you're going to be in a partnership most likely, right of some kind. It's so important. Tell us how you all like to give back?

**[0:23:02.7] TK:** Well, there are several charities in general that we really love to connect with, orphanage in Nigeria. Medical missions, I've done several. I get away when I can, but it's hard to get away that long. We also support a local charity called Treasured Vessels Foundation, who builds tiny homes for sex trafficked girls in the State of Texas, 12 to 17-year-old minors. Those are our two big hearts, our orphanages and the sex trafficking industry, specifically for kids who get trapped into it.

**[0:23:35.5] WS:** Awesome. Well, it's been a joy, or pleasure having both of you on at the same time and especially this dynamic of partnerships with husbands and wives and others as well. Tell the listeners how they can get in touch with you all.

**[0:23:46.0] TK:** Sure. They can stay connected with us by checking us out on our website at [thinkmultifamily.com](http://thinkmultifamily.com). That's [thinkmultifamily.com](http://thinkmultifamily.com). They can also send me an e-mail personally, if they'd like at [tami@thinkmultifamily.com](mailto:tami@thinkmultifamily.com).

**[0:24:04.5] MK:** [Mark@thinkmultifamily.com](mailto:Mark@thinkmultifamily.com).

**[0:24:08.5] WS:** Then the, one more time, the event that's in November. This show, it would be really close to the September 1, but what's the date of the November one?

**[0:24:16.6] TK:** November 14<sup>th</sup> and 15<sup>th</sup>, I believe. We're focused on the upcoming one, but November 14<sup>th</sup> and 15<sup>th</sup> in Dallas.

**[0:24:23.2] WS:** Okay. All right. Thank you all very much.

**[0:24:25.1] TK:** Thank you.

**[0:24:25.6] MK:** Thank you, Whitney.

[END OF INTERVIEW]

**[0:24:26.3] WS:** Don't go yet. Thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcast out there. You can also go to the Real Estate Syndication Show on Facebook, so you can connect with me and we can also receive feedback and your questions there that you want me to answer on the show. Subscribe too, so you can get the latest episodes.

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[OUTRO]

**[0:25:06.7] ANNOUNCER:** Thank you for listening to The Real Estate Syndication Show, brought to you by Lifebridge Capital. Lifebridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Lifebridge Capital, making a difference one investor and one child at a time. Connect online at [www.LifeBridgeCapital.com](http://www.LifeBridgeCapital.com) for free material and videos to further your success.

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