

EPISODE 498

[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]

[0:00:24.1] WS: This is your daily Real Estate Syndication show. I'm your host Whitney Sewell. Today, our guest is Leslie Awasom and Tenny Tolofari. Thanks for being on the show guys.

[0:00:36.2] TT: Thank you for having us man, appreciate it. Thanks for having us, Whitney.

[0:00:40.3] WS: Yeah.

[0:00:40.9] TT: And by the way, the names were pronounced very well.

[0:00:42.7] WS: Thank you. We worked hard on that. No, a little about Leslie and Tenny. Leslie is a Managing Partner and cofounder of Xsite Capital Investment LLC, a multifamily real estate investment focused company in the Washington DC area. Scared by the events of the 2008 crash, he decided to look into alternative ways of securing a future for his family. Aren't we all? That's so important.

Bought his first investment property in 2017 and then transitioned to multifamily investing in 2019 after meeting his partner, Tenny.

Prior to becoming a Managing Partner at Xsite Capital Investment, Tenny spent several years leading a major salesforce in one of the fastest growing financial services companies in Ameri-

ca. Together, they have invested on 192-unit apartment project in 2019 and are on track to acquire 500 units in 2020.

So, Leslie, Tenny, thank you guys very much for your time today on the show but give the listeners a little more about who you are and what your focus is and let's dive in.

[0:01:46.9] TT: Well, I think you basically said it out there but thank you very much, that was awesome. Thanks for the introduction. I came to the United States in 2010 for the – to pursue the American Dream. And fast-forward 2019, I met Leslie. I felt like I'm becoming closer every day to achieving that American Dream. And Xsite Capital is a company that we created to put us in a path towards achieving that American Dream.

Leslie and I, you know, we came together, we thought about what we can do differently in this space. We did a lot of research in terms of real estate investment and what the families that one there, really connected with us. It's been an amazing journey. We've been learning a lot of stuff in our path and we've been meeting a lot of great people like yourself.

It's just been an exciting journey so far so –

[0:02:35.9] LA: For me, I've been in the US now for 20 years. Most of that part I spent trying to do the same thing. Build that American Dream. Went to school, studied hard then graduated for school. I currently work as a Nurse Anesthetist on my nine to five profession.

So, in 2008 when I graduated from college as a nurse and started working. That was right around the time when the crash hit. I have the experience of seeing like some older healthcare providers that had been in the business for years, getting ready for retirement, having to lose all their retirement funds, during that period of time. Was an event that really scared me and left an impact on me for a while.

And fast forward a few years later when I graduated and started working as a nurse anesthetist and had a child at that point in time, I realized that I had to do something to secure my future and the future of my kids. That's how I started learning, reading books on real estate and I read

a book by Robert Kiyosaki called *Second Chance* at your life and your money and that kind of helped me get into real estate space at that point in time.

[0:03:41.5] WS: *Second Chance?*

[0:03:42.4] LA: *Second Chance: for Your Money.* I read that before reading *Rich Dad Poor Dad* It's a book really get to what's millennials, delinquent student loan debt and explains a lot about the financial system and really opened my mind up. That's how I developed the courage to go and invest in real estate. Still moving slow, still afraid of a lot of stuff.

Then I met Tenny and my life just changed from that point on. We put our heads together and started Xsite Capital Investments and it is really been an exciting journey so far and now we look forward to the future and how we could contribute to this space.

[0:04:18.7] WS: Awesome. Well, I'd love for you to elaborate on your journey a little bit. I know there's lots of listeners who can relate to you all right now. And you know, congratulations to you all just – I mean, it's a lot to make it happen, I can't even imagine coming to the US from another country and with all that. and making that happen alone, much less getting here and actually starting a company and making it happen. But just congratulations just to that alone. Much less to your future success.

Tell me though some of the hard knocks you all have experienced up to this point?

[0:04:53.1] TT: You know, when I came to the States. I came for grad school basically and I went ahead, got my Masters, I got hired at Boeing and Deloitte. I've been at these companies. In 2016, I decided to branch off after I faced a major health problem. I hurt my fifth disk and I still on for about four to five months and while I was recuperating, I said, "Okay, is this what I want to do? Do I want to continue to work nine to five? Do I want to do something else?"

You know, I ask myself these questions, right? I came across an opportunity about the financial industry and I said, "Okay, let me listen to what it's all about and I started learning about it." Background is engineering and IT, and I didn't have anything in the financial space. But I said "You know what? I need to learn about money."

I started learning about it, I got involved in the business, started helping a lot of family and interestingly, one day, I met Leslie's wife. I met him through his wife actually. I met Leslie's wife at a doctor's office where I was doing a presentation and out of about 10 ladies that I met at that event, Leslie's wife was the only one that gave me audience. She was like, "You know what? I think you need to talk to my husband."

I started to think this was a setup. She gave me her husband's number, invited me to their house and I came to the house and tried to share with them what I do in terms of financial services. And in the process of doing my presentation, I started sharing some of my philosophy when it comes to investing, when it comes to finance, when it comes to personal development and we were like, "You know what? Let's forget about what we're doing right now." We started talking about books, started talking about how we can start linking up later on and then we started meeting at the brewery close to our houses.

Where we talk about you know, real estate. We started playing this game called cash flow order.

[0:06:46.4] LA: Cash flow board game by Robert Kiyosaki. Yes.

[0:06:49.0] TT: We started playing that game for a couple of weeks and we invited a lot of people to come and join us and play the game. At this point, we didn't talk about you know, what investment real estate yet. We're just talking about money and everything. In that process, that's when we started saying, "You know what? I think you bring something to the table, something unique to the table, I bring something unique to the table. Maybe we should just do something?" And then we said, "You know what? Let's go in and understand what are the different types of real estate investment out there."

We went for seminars, started reading books, started doing a lot of research and we actually put in offer in some single-family homes. But at one point, we found a material, it was Grant Cardone, actually. Grant Cardone material was saw it, that is when the light bulb and just turned on and said, "You know what? I think the aspect want to go into is going to be multifamily."

So, we just dug in deep, put in our money, our resources, we just doing a lot of research, going to events, talking to people and then since then, that's how our journeys been so far.

I don't know if you want to share some of the challenges that we've been having in the process?

[0:07:51.9] WS: Well, let me ask you, Tenny, you mentioned you both brought different things to the table which is you know, a partnership when you can find somebody that compliments you, right? You don't want to have the same skillsets, most of the time. But you know, what was that for you, what were some differences you all seen that, "Okay, you know, you can do this, we're a lot better than I can." You knew this was a good partnership.

[0:08:11.6] TT: Absolutely. That's a good question. This is about me, I'm not scared of anything, right? I'm that person that if you say, "You know, we got to give billion dollars." I say, "Yes, let's do it," right?

I'm not going to be like, "Okay, a billion dollars is too much." I feel like as long as we're able to think about it, we should be able to achieve it, right?

I'm not scared of numbers. I'm not scared of human beings. For instance, if the president right now he say, "Let me give him a call, have his phone number." I'm not going to be scared to call him, I'm going to call him and say, "Hey, my name is Tenny Tolofari." You see what I'm saying? And then he brings details, he brings a lot of details into what we do, he's the one that does our underwriting, I'm not scared to like I said, I'm not scared to talk to anybody. I try to go out there, I create the network and stuff like that.

And then he is now becoming an expert in it, you know? Initially, when we met, he couldn't strike a conversation. He's scared to meet with people. I'll have to go and start a conversation then he comes in. But now, he's doing a great job so I'm really proud of him. And that's what you know, both of us are bringing to ourselves, we're beginning to help each other grow in a different area that we used to lack. That's one thing I can pinpoint.

[0:09:19.6] WS: Okay. Leslie, you know, any kind of partnership like this or just getting a business started is difficult. I don't care who you are. I mean, just especially when you're new to just

business in general. And I'm not sure if you all are new to business in general but either way, a real estate syndication business is not easy to get started. You know, what's kind of a setback that you all have experienced or something, maybe a hurdle that you didn't expect that you all have had to overcome?

[0:09:45.3] LA: We've had several challenges along the way. One of the main challenges we had is an incredible opportunity that we had for a deal, that we were supposed to be part of. At that point in time, we had kind of slowed down on our money raising part of the game because of we fell into a trap of believing that when you have a deal, the money is going to come.

At that point, we had the deal at hand and meeting the people that we just spoken to at first to invest in a deal that had said – Had showed some interest. We are not spoken to enough people at that point in time, we could not raise to meet for that deal to be part of that deal.

That was like an experience that happened earlier on in our journey. We were able to learn from that and put the systems in place to start raising money and bring in all the systems that we need to be successful in the future.

One of the challenges that we had is I used to be kind of an introvert, shy person. Didn't want to talk to so many people about what we were doing which was an Achilles heel on our operations because a lot of people, at that point in time, when you have a deal ahead and you go start talking to people, it's the first time they're hearing that you're doing a real estate syndication.

It's like, you come in out of the blue and talking about something they have no clue about. That's one of the lessons that we learned along the way.

[0:11:00.0] WS: Okay. I want to come back to that. But I meant to ask Tenny, you mentioned like educating yourself, what's the best way that you found to educate yourself when you're like newly started and getting ramped up in this business?

[0:11:10.4] TT: Oh my god. We were consuming information like – I don't know how to describe it but everything, podcast, books, seminars.

[0:11:19.7] WS: Maybe like the best way that you know, has taught you the most?

[0:11:23.7] TT: I think the best way that taught us the most is actually doing it. Because one thing is to read, one thing is to listen to people, one thing is to actually go out there and do it, right? We consumed this information, we actually got a mentor, a role in the mentorship program that started like, actually a couple of mentorship programs that we thought I was going to guide us to where we want to go. But after continuing to go, we continued to believe that there's different ways to do these things better, right?

Different avenue, podcast, books, mentorship program, friends that we'll meet in different networking events. We started up our meetup events, we meet people there as well. Just different ways that we could learn that we can put our hands on materials.

Leslie listens to podcast like every day. Sometimes he see some of them that is very good, he says it to me, I don't listen to – I'll be honest, I don't listen and I'll be honest, I don't listen to it every day.

But he sends them to me, "Dude, you got to listen to this one." I make it a priority, listen to it and I call them back and we'll have a conversation about it. Every day we try to keep ourselves abreast with what's going on and I don't know if this answers your question. But we try to utilize all avenues that have materials.

[0:12:33.3] WS: Okay. Leslie, you know, you had mentioned you know, falling into that trap of thinking that when you have a deal, the money is going to come. It's very common and it's a question I get like on the phone, sometimes numerous times a week. You know, from people asking, you know, "Is it the deal? How do I raise a capital? Or wait a minute, if I have a good enough deal, is the money going to come?" And you know, tell me what your thought process was, maybe compared to what it is now and what the listeners should expect going through that same process?

[0:13:01.3] LA: The thought process was exactly as you put it, a good enough deal is going to bring the capital to you regardless of like the details to the deal. But there are many different ways, what we learn is that there are many different ways that you could come across a deal.

You know, you could have a deal that's your own, you could have a deal that's an opportunity to partner with somebody else and be part of a deal.

It is really challenging at that point in time when you have that deal. No matter what the numbers are to go and start talking to people because at that point, you feel the pressure as a person, right? Once you put that pressure in front of an investor and the first time they're seeing you, they're going to feel that pressure, that energy coming from you like you really want something from them, instead of offering them an opportunity.

To be honest, looking back, I don't blame some of the investors for turning us down, you know? Because at that point in time, we knew this was a great opportunity so it was a lot of bit of pressure on us so we understood that.

But that was some very good experience at a point in time, it didn't seem that way but it was a good thing it happened because afterwards we have been able to calm down and refine some of our systems, doing things much better now.

Anybody I'll say if you're in the syndication business or you want to get into the syndication business, start talking to people. You'd be surprised at who is interested and that is the biggest surprise I have gotten so far.

[0:14:21.2] WS: It's great advice like not presenting to investors when you're under pressure, especially when you are new to at this game. It is going to be obvious right? When you are pressured to try to raise some capital because yeah, it is going to be a quick way to turn people away when they see when you are in need. It's a weird thing, right? You know they perceive that even though they can't almost explain it. But it may kind of put some – it sends up a red flag, right? It puts them on guard.

[0:14:43.4] TT: And to add to that, you're not telling them to bring \$1,000. You tell him to bring \$50,000 at a home. And they're like, "Dude. You haven't talked about this before. I don't see you having the experience that you need to be able to do this. You are the one I know even if you tell me you have all of these sponsors that have done it thousands of times, I don't know those people. You are the one that I know and I have not seen you do it for a long time."

So, the credibility is not there so we are doing a lot of things differently right now when it comes to building our brand and building our credibility with our investors.

[0:15:14.8] WS: Can you give me an example or two things you all are doing differently after learning that lesson?

[0:15:19.5] TT: An example of what we are doing right now is we try to bring a lot more awareness in our social media presence, that is one. Our meetup, we are trying to make sure that we invite the people that we know to our meet up so that they can start seeing that it is not just ours. There is a community of people that does real estate investment in terms of multifamily as well.

And now of course, coming up on podcast like this. Some of these conversations that we have we can share with some of the people in our network as well. So that it can see that we're not just in here to try to make a quick buck. We are actually trying to view this as a sustainable business that can help provide an amazing property for people that can live in there.

So, we are doing a lot right now. We actually just hired a new VA that can be helping us as well in terms of putting the word out there. So, there is a lot of different things, we are doing to fix those errors that we made.

[0:16:10.3] LA: Most importantly what we do in that has been very, very incredibly helpful and that's something that I learned from people like you is giving out value. Provide value to people.

[0:16:19.3] WS: Say that again, you are doing what?

[0:16:20.7] LA: Provide value to people and not necessarily value because you want something back. But when you give value to people it comes back to you tenfolds.

So, the other thing I am doing is I am helping other people like my career, at my nine to five that might be interested in real estate even if it is multifamily or something. I am always encouraging

them and pushing them forward. So, I am noticing that over time, you are building that credibility as the real estate guy.

And people come to you and ask you for questions about what to have. Now you can share resources that you have with them. You know it's a very, very rewarding journey so far, yes.

[0:16:56.2] WS: So, Leslie you mentioned overcoming being introverted. And I think that's a common – it is such a common problem in our space because you do have to be somebody on the team has to be like the investor relations, right? You've got to be willing to just walk up to a group of people and say, "Hey, how are you doing?" you know? And put yourself out there to get those relationships started. But I understand it is very difficult for most.

Some people are so terrified of crowds of people or having to talk to people like that. It is a real thing. And so, I just want wonder maybe some advice that you would have to overcoming and maybe you still have that fear but you have learned to overcome it or one way or the other but share with us what's helped you overcome that?

[0:17:38.2] LA: The biggest thing that has helped me to navigate through that is personal development. And that is one of the things that we connected on how – we do a lot of personal development and read a lot of books on mindset. That has been tremendously important in helping me. And one of the things I learned in the personal development, during my personal development learnings is your biggest growth comes through what you fear the most.

So, I challenge my fear every single day since I learned that that. When I meet somebody, I see somebody and I feel that fear inside of me to go talk to them I do exactly that. I walk up and I say hello and I talk to them. And surprisingly they don't bite, you know? People are very nice when you are nice to them. People are very open when you talk to them. So, slowly that has continued to eliminate that fear. I am still working through situations when I feel the fear.

But when I feel that fear I do exactly what I am feeling. So just listening to personal development content has been very, very instrumental in that journey and being partners with somebody like him. He is go-go-go-go. Sometimes he just goes I just follow. So, I piggyback on his energy and that has helped me a great deal in overcoming some of the challenges that I had earlier on.

[0:18:50.6] WS: Okay. That's awesome and I loved what you said there, the most grow and I may have reworded it a little bit correct me but you said something like the most growth comes from what you fear the most. And then you said you challenge your fear every day. That is awesome, I love that.

But we are about to run of time so just a few more questions for you guys before we have to go but tell me, what's been the hardest part of this syndication journey so far?

[0:19:13.7] TT: It is just the fear of the unknown. You are not really sure sometimes if what you are doing is the right thing, right? Sometimes you feel like you have everything in place and then you realize you don't really have anything, right? Like Leslie had mentioned the deal that we had, great partnership, great alliance and everything and we felt like we had trust with a group of people that said it even they got trust, you know. And at the end of the day, we realized that we didn't really get what they mentioned, you know? So that is one of the thing that I had identified that has been the problem so far.

[0:19:49.3] LA: I agree.

[0:19:51.5] WS: And how are you all prepared for this potential downturn that everybody is talking about?

[0:19:55.7] LA: So, the same thing we instrumented into our business plan and view for investing where we got together is just to be conservative. Focus on the right markets that have the strong fundamentals to rebound for many kinds of recession. And we use the three fundamental laws of investing. We have enough money for reserve while we do for underwriting, gave group property management and if we do come across a great deal, we try to build long term debt on it that could survive the duration of any downturn that comes around.

[0:20:27.8] WS: What is a way that you all have improved your business recently that we could apply to ours?

[0:20:32.8] TT: I think just getting the right team in place. Getting the right systems in place. One of the big myth that a lot of people do that we see as we're growing and doing this business that, again wants to grow is you don't have to spend money to do this business. That is a big myth. There is no way that you can do this business, especially if you are trying to be a syndicator without you investing yourself. You got to invest in yourself

Like for instance both of us have a very high demanding jobs and I have a financial security business and have a family as well, right? And then if I am trying to do this as well, there's no way I can do everything myself.

So, both us one of the things we learned as we grow in our personal development, is you have to leverage, you have to leverage, you have to leverage. And that is one thing that we decided to do this year differently. You know we need to leverage people.

So right now, we have two people in our team. One person is in charge of marketing and then the one person is in charge of all the tasks that we have going on. So, we are leveraging other people's skills to help us to propel business forward while we focus on the vital function, which is like building relationship with someone like yourself and the audience and then build the relationship with brokers. Build the relationship with our investors and creating a system that can do all of this.

Though it's been challenging to the both us but we are working towards, we're reading, we're learning just continuing to grow.

[0:21:49.0] WS: Is there something, maybe one thing specific that's helps you develop a system or something that you use?

[0:21:54.9] LA: So, there is a book that I got this year. It's called *Fanatical Prospecting* by Jeb Blount. It is a really good book that talked about how you can create relationship with investors. That is one book that I read that helped us.

[0:22:08.7] WS: Tell me the name of it again.

[0:22:09.6] TT: *Fanatical Prospecting.*

[0:22:11.8] WS: *Fanatical Prospecting.* Okay that's awesome.

[0:22:15.1] LA: By Jeb Blount. Yeah and then there is one other book that talked about our system and I can't remember the name of the book but that helped as well but yeah.

[0:22:21.5] WS: Nice, so tell me how are you all finding investors right now?

[0:22:27.2] TT: Just we're talking to people in our networks, reaching out to people in our profession and our space, family members and meetups. We also have people come over there that have expressed some interest in investing.

[0:22:39.9] WS: Okay and then what is the number one that's contributed to your success?

[0:22:45.1] LA: I have to say personal development, only if you say something else?

[0:22:48.9] TT: Yeah, personal development and our willingness to face the unknown, right? We don't know what tomorrow holds for us. But we believe that we will be able to overcome it when we get there, right? So, we just continue to confront it, confront it. We are not scared because if we cannot, right now we are going to sit back and then talk a lot of people who took class with. A lot of them we don't see them anymore, right?

And we don't want that too with ourselves. You know sometimes I want to sleep a little bit but then he wakes me up. Sometimes he wants to sleep a little bit, I wake him up. So, we just continue to help each other grow in this process. So yeah that is one thing.

[0:23:21.2] WS: And tell us how you like to give back?

[0:23:22.8] LA: Well I have worked with an organization in Baltimore that is in charge of feeding the homeless. They offer showers to the homeless in Baltimore. I volunteer my time for that. And recently I was in a visit back home where I am from Cameroon that is affected by a crisis right

now, a conflict and I had the opportunity to share some stuff with some of the people that are displaced from that. So that was a really rewarding experience.

However way we can continue to give back. Do a lot of anonymous donations as well and typically we don't like to talk about some other stuff that we do to other people.

[0:24:02.2] TT: So, one of my vision and I have shared it with Leslie is you know, my wife she's American. My daughter is from here and this year we are planning to visit my hometown. If sadly any of us get sick in my hometown up on the island we don't have a hospital that I feel like I can comfortably take my family to.

And my goal to is at one point in time as I continue to grow in this journey is to be able to create a hospital, where that has all the equipment that have all the necessary skillset and tools to be able to take care of people. People like myself that wants to visit back home when I get sick and I don't have a place to go.

So that is one big mission that I have or one calling that I have in my head that this is driving me every single day. And that's of course, there's a lot of people out in Africa that needs help and there is some people that I was talking to, doctor's friend on Saturday where some people can't have a normal physical test. They don't know what is wrong with them and you see that people just pass away suddenly.

So, I want to be able to be a part of that change as I continue to grow. And the only way I can do that is if I can create a business that creates sustainable cash flow and then I can take back home to help a lot of other people, you know?

[0:25:16.6] WS: Guys, Leslie, Tenny, thank you guys so much for your time today and just sharing just from your experiences, the ups and downs and some things that's helped you just really grow, right? And push through to grow and through fear and even just learning about the money not coming just because you have a great deal potentially. But anyway, you know thank you guys so much. Tell the listeners though how they can get in touch with you and learn more about you?

[0:25:39.5] LA: Right, you can visit our website, which is www.xsitecapital.com. And if you are in the Washington DC, Virginia or Maryland area, please come join us at our meet up. It is on the Meetup app, it's called Xsite Multifamily Apartment Investing meetup. We host it every first Monday of the month in College Park, Maryland. You can also join our Facebook group, which is the Xsiting world of multifamily investing. Visit our website.

[0:26:05.7] TT: And just to clarify the Xsite is x as in xylophone, s as in Samuel, l as in indigo, t as in tango, e as in Edward, xsitecapital.com. So Xsite.

[0:26:18.9] WS: Awesome guys. That's a wrap.

[0:26:21.2] LA: All right.

[0:26:21.6] TT: Thank you very much.

[0:26:22.4] LA: Thank you very much, Whitney.

[END OF INTERVIEW]

[0:26:23.5] 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. Lastly, I want to keep you updated so head over to lifebridgecapital.com and sign up for the newsletter. If you are interested in partnering with me, sign up on the contact us page so you can talk to me directly. Have a blessed day and I will talk to you tomorrow.

[OUTRO]

[0:27:04.0] ANNOUNCER: Thank you for listening to The Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge 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. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at www.LifeBridgeCapital.com for free material and videos to further your success.

[END]