EPISODE 621

[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]

[0:00:24.7] WS: This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today, our guest is Chris Naugle. Thanks for being on the show, Chris.

[0:00:32.6] CN: Hey, thanks for having me.

[0:00:33.9] WS: Chris is America's number one money mentor. His success includes managing over 30 million dollars in assets in the financial services and advisory industry and tens of millions in real estate businesses, with over 200 transactions and an HGTV pilot show since 2014. In 20 years, Chris has built and owned 16 companies with his businesses being featured in *Forbes*, ABC and House Hunters. He is currently the Co-Founder and CEO of FlipOut Academy, Founder of The Money School, the money mentor for the money multiplier, empowers entrepreneurs, business owners and real estate investors with the knowledge of how money works, innovating what it takes to break the chains of financial slavery.

Chris is driven to deliver the financial knowledge that fuels lasting freedom. To date, he has spoken and talked to over 10,000 Americans. Chris, I'm grateful for your time again and looking forward to the show, because it's something that just everybody struggles with, right? I mean, until you gain some knowledge, or some self-discipline, maybe what they should do with money, so looking forward to this. Give the listeners a little more about who you are and maybe where you're located and let's jump in.

[0:01:45.5] CN: Sure. Yeah. I mean, just right here in freezing-cold Buffalo, New York. This is about the only time of the year that it's actually nice here. Born and raised here. I traveled all over the world as a professional snowboarder in my early years, so I got a chance to get a feel for everything out there. For some reason, I've never left here and primarily because my mom's here and my mom gave up a lot when we were growing up. I didn't grow up with money. We grew up in a very lower, lower income household and she gave up pretty much everything just to make sure that I was able to chase my dreams. Without money, she basically taught me how to be resourceful and that's what got me here.

I mean, you mentioned all the other stuff in the bio, I mean, I've done a ton of things. I started skateboard, snowboard shops when I was 17-years-old. I built them into a multistore, sold them off in 2010, done lots of real estate, which led to a HGTV show, a pilot show called *Risky Builders* and that was in 2018 that that actually happened. Unfortunately, when the show aired, that was right when Discovery was buying HGTV and our show didn’t go onto series, which slammed a big proverbial door in our face.

My wife and I really just had to figure out, okay, what are we going to do when we grow up? Because I had given up my financial advisory career to do the show, which was a high-level advisor. Some people say stockbroker, some people say advisor, whichever you call it, for over 16 years and I sold my practice that year to do the show. When that happened, I basically took everything I knew about money, everything I knew by failing countless times. I almost went bankrupt in ‘08 and then I almost lost it all again in 14, because I didn't know how money really worked.

I started learning very quickly through a lot of trial and error, through lots of really amazing mentors and I made a habit of following wealthy people around. When I say wealthy, I mean, multi-millionaires and billionaires. What I started figuring out very quickly, I always saw a pattern, but I learned that the wealthy do things different with money than everyone of us are taught to do with money. We do the complete opposite, as a matter of fact, with money and that's just because we're taught to give up control of our money. That’s I think what we're going to talk about. We're going to talk about a lot of the secrets of what the wealthy do with money, how that relates to real estate, because no shy guy to real estate. Done over 250 flips, we've had large rental portfolios.

Right now, we're thinning everything out and selling off a lot, because the market is just crazy high and Warren Buffett does, “Buy low, sell high and don't lose money.” We're just following right along with that and I'll wait for the market to dip a little bit and then we'll start buying again in the next couple years.

[0:04:17.7] WS: It's awesome, Chris. I appreciate you just sharing a little bit about your history and almost losing it twice, just really being real about that. Then there's also, you just didn't know how money really works. I think most of us just don't. I mean, I can go back so many years in my own life and look back and think, “Oh, my goodness. Just the things that I did with money and I wish I could go back and change those.” We can learn and we can change it going forward. You said, what you did was you started following the wealthy around. How did you do that and help us to think that way and learn from people like that?

[0:04:49.9] CN: Why sure. I mean, it started like it did with so many of you, those of you listening. I mean, I remember in 2014 I had 36-units. I’d bought all those units during the 2009 to 2014 timeframe. They were incredibly inexpensive properties that picked up pennies on the dollar. Then in ‘14, because I didn't understand how banks operated or I thought it did, I mean, financial advisor, you'd think I knew everything that I needed to know, but I didn't. All of a sudden, they pulled the rug right out from underneath me, I had to sell all those properties. All 36 units had to be sold. I lost our dream house, which we had to sell and I had to restart.

How it started is I got a postcard. “Come learn how to flip houses at this three-day seminar.” You've got those. I know, when I tell people they're like, “Oh, my God.” Yeah, exactly. You're probably thinking, “Man, don't you ever learn?” But see, here's the thing, I wasn't going to learn how to flip houses. I thought I already knew how to do that. I was going, because they were giving away a free iPod shuffle and man, I wanted that because I had nothing else to lose, had an iPod shuffle to gain. That's where it began.

I didn't learn that at the seminar. What I did at the seminar is two of the speakers were high-level investors; one guy was the bank, he lent money and he was very, very well-known. You guys would know him if I gave you his name. I listened to how they were doing their real estate deals. I remember listening, this is day two and they're doing the complete opposite of everything I had ever been taught to do with money and real estate.

“How can they be doing the opposite and I've been taught to do this? What the heck is going on here?” That's when I dove into that realm. I got them to be mentors. I paid them whatever I could. I swiped credit cards. I pretty much literally grind everything I had to learn from them. Well then, I got into their network. I did everything I could and I became their friends. I started learning and meeting their friends. I don't know. It was just weird how it happened. I just naturally started being part of these masterminds, part of these groups and I started meeting more millionaires, more multimillionaires, more billionaires. Now today I work with many, many billionaires.

The funniest thing is there's this crazy pattern of what they do with money, what they've always done with money, what their families have done with money that none of us even know about. That's when I really, really started saying, “There's something to this and nobody knows about this.” When I tell people about it they're like, “Oh, that sounds too good to be true.” I used to just be like, “You only wish you knew.” Now I'm like, “Yeah, it does sound too good to be true, because that's what I said.”

In ‘14, in Salt Lake City at a Cheesecake Factory when I was told what Mike, the guy I'm talking about was doing, I looked at him as an advisor, is a high-level financial advisor and I said, “It doesn't work that way, Mike.” He looked back at me and he said, “I knew you'd say that.” He said, “You know what? It's funny, because that's what everybody says.”

[0:07:34.4] WS: He’d had that conversation many times, right?

[0:07:36.1] CN: Oh, yeah. He said, “That’s what everybody says. It doesn't work that way. It looks too good to be true. Just can't happen that way,” right? But that's how I'm doing it. He said, “Chris, you know all those deals that I've been lending you money on? Guess where the money comes from. I just told you.” At that point I'm like, “Whoa!” I said, “How do I learn more?” He said, “Well, the guy that helped me set these up, this is his name. Get a hold of him,” and that's where it began. I started my journey to learning this secret of the wealthy.

There's many of them, but this was one thing that was different than anything else and it never stopped. That secret that I've learned has helped me build real estate portfolios, helped me become a private lender, helped me do so many things that I never would have been able to do not knowing what I know now.

[0:08:16.7] WS: Well, you know I'm going to ask, right?

[0:08:18.3] CN: What is it, right?

[0:08:19.0] WS: What is it? This thing that we're all doing the opposite of. What is that?

[0:08:23.2] CN: Well, we're all taught to give up control of our money. That's the first thing, right? What do we do with our money? We get money, well, if you're a high-income earner and you got a business, where are you putting your money? A lot of people put it into 401ks, employer-sponsored plans. They think, "Okay. This is great. I get a tax deduction today and someday later, I can take that money out." That's what we do. We give up control of our money.

Think about it, your dollars you have right now, are they not worth the most today? If you say, "Well, I don't know. I think mine are going to be worth more in the future." That's not correct. Look back 20 years ago, how many candy bars could you have bought for a dollar? The answer is more than today. The Fed just printed 2 trillion and counting and if you think that that 2 trillion dollars they just printed just miraculously has value the second they print it, folks, they just click a button and 2 trillion dollars appears on a screen and that 2 trillion dollars derives value from your current dollars, which means your dollars are worth less. It's called inflation. It's nothing more than a hidden tax.

We're taught to take those good dollars, the most valuable dollars and put them in vehicles, they take control from us and then we can take that money back later. We literally give up our good dollars today to be paid back with our weakest dollars later, but that's just the start of it. How about banks? Some people are like, "I don't put money in those things. I put money in a bank."

Okay, great. How's that working out? You put money into the bank and what does the bank do? They pay you nothing, or next to nothing on your money and they go out and they lend that money out and how much do they make? Well, they make five times more than you do. They make 400% to 1300% more than you make on your money, because they know how to move money.

Once I started saying that, I said, “Okay, well this thing that I learned, I learned that there's a vehicle that you can use that works like a bank, works just like a bank,” because we all want to put more money in the bank, because we actually can go and take that money out and use it for anything, but we make nothing. How do we make money on our money while still having access to our money, but then let me throw this thing in, how do we actually make money and still take our money while still making money? Probably makes no sense.

Imagine a bank that you put your money in. Let's say you had a 100 grand, you put your 100 grand in a bank and that bank agreed to pay you 4%. Now I know your bank is not paying you 4%, but let's just say they were. Let's pretend. Then you go back to that bank 30 days later and you take your 100 grand out. How much interest are you making on your account? Most people say zero, right? I had a 100, that was making 4, but I took the 100 out, so I'm making zero because I took my money out.

What if you didn't have to stop earning interest? What if you could put a 100 grand somewhere, make 4%, take that money out and still continue to make 4%? You would think that that sounds too good to be true. Then what if all the money you made on that 4% could all be tax-free too? Now you're starting to really talk about what this is. Here's what it is, it's what the Rockefellers figured out many, many years ago, the Rockefellers, the JP Morgans, the Stanleys, all of them, they got together and they said, “You know what? We have too much money to trust banks.”

Back then, banks weren't strong and today, banks really aren't all that strong either. 2008 proved that. They found a better way to bank and how they did it is they said, “What is the strongest financial company in the world?” What do you think they landed in? Insurance companies. Insurance companies are the largest financial institutions and the most stable, especially mutually owned insurance companies.

The Rockefellers created a banking system using insurance companies. What you ought to understand about insurance companies is you can deposit money in an insurance company, you just don't know how to yet. You can deposit money in an insurance company, they will pay you returns based on their general fund in their general account. How much are those returns? What if I told you they're a guaranteed 4%? Because they really are. They're guaranteed 4%.

Then if we can get that insurance company just share in their surplus that they don't spend every year in the form of a dividend, well we can do that too. We can get dividends from mutually-owned insurance companies. That's where the secret starts. Then the best part is is the insurance companies love moving money just like banks.

Now we got that money in the insurance company, they've agreed to pay us a guaranteed 4% and they graciously every year, give us a dividend on our money. Then they say to us, "Hey, check this out. What if we let you use our money? We'll let you take loans from our general account up to the amount you have in your account. You could take loans and use that money and guess what? You really never have to pay that money back. We're going to charge you 5%." Now that's what we do. What I tell you what this vehicle is, some of you might think you know, you're all going to realize that Will Rogers' quote is the most accurate quote ever said by anyone. Will Rogers says, "The biggest problem in America is not what people don't know. The biggest problem in America is what people think they know that just ain't so." You ever hear that?

[0:12:58.5] WS: I don't think I have, but that's a good one.

[0:13:01.1] CN: Again, let's go back to the insurance company, right? If we found a way to just deposit money in insurance companies and then we had access to our money, so we could just go back and take that money out, but when we take the money out, we're not actually taking our money, it's the insurance company lending us money. What that gives us the ability to do is earn uninterrupted compound interest, because our money never left their account and our money is earning 4%.

If your money just was able to just sit there and earn 4% for the rest of your life and never ever be interrupted, but yet you had the luxury and the ability to just go in and take your money out anytime you wanted, but you weren't really taking your money, you're taking the insurance company's money, you're probably thinking, “Yeah, yeah. But there's a catch, Chris. They're charging you interest on that money.” Indeed, they're charging you simple interest. Your money is earning compound interest, their money they’re charging you simple interest.

If you did the math and that's all it is is just math, you would come out basically after taking the interest and dividends minus the money that you're paying them, in the first year you'd make 1.2% by today's numbers. How would you like to make one 1.2% on your money and still have all your money out there in a real estate deal working? Would that help?

[0:14:09.0] WS: It's a pretty good option.

[0:14:10.5] CN: It's a really, really good option.

[0:14:11.7] WS: That’s better than it sitting in the bank, right?

[0:14:13.2] CN: It's way better. Then every single year, that 100 that you put into that insurance company now is a 104, just use the guarantee. Then the next year, that 104 grows at 4%, now that's compounding. Albert Einstein says it the best. He says, “Uninterrupted compound interest is the most powerful thing in the financial world.” He calls it the eighth wonder of the world, because it's very difficult to find a way to earn uninterrupted compound interest.

When people think about compound interest, they think about taking their money and parking it in a bank account, parking it in a CD, putting it in an investment, but the problem is when you do that, sure you're compounding, but you have zero access to that money. If you take the money out, you stop the compounding. Or if it's an investment account, you put your money there and it's compounding, but then every year what are the two things that hit your account? Fees and taxes, right? You got to pay taxes on the money and you got to pay fees if it's non-qualified. Every time that hits, that's going to reduce the amount of money you have.

Have you ever heard the statement, the old thing where it says, “Would you take a million dollars today or a penny doubled every day for 30 days?” You've heard that one, right?

[0:15:17.5] WS: I have.

[0:15:18.6] CN: What one would you take?

[0:15:20.0] WS: Oh, and I don't remember the – I don’t remember exactly. I'm sure it'd be better to take the penny a day, but it'd be hard not to take the million upfront.

[0:15:27.9] CN: It would. It would be very hard. If you look at that, the penny doubled every single day for 30 days grows to about 5.2 million. Clearly, you'd be better taking the penny a day. However, it would be so nice to have the million bucks in your hand, because that penny doubled, I don't think it gets to be more million dollars until the last couple days of that 30-day cycle, but that's the power of compounding.

The other thing about that one is we've run that and we've said, “Okay, well what if once in that 30-day cycle, we just took a withdrawal of 200 bucks? How would that change it?” You'd have about 2 million. Okay. Then we said all right, well, what if we had to pay tax on that money on that gain? Well, at that point I can't remember what the number was, but it was less than a million. What if we just charged a modest fee of 1% on the gain on that? You'd be down to $5.99.

It just shows the power of uninterrupted compound interest. Well, that's what the insurance companies allow you to do, get uninterrupted compound interest. Let's go one step further, let's talk real estate and how I do this. Now I've got this money at these mutually owned insurance companies, I take that money out, which means I'm taking the insurance company's money and let's just say you come to me with this great multifamily deal and you need a $100,000 to gap fund the amount the bank won't give you. You need a hundred grand to buy this 60-unit apartment complex, but you need that money because the bank's only willing to give you whatever, 80%, 75% of the amount you need.

I come in and I loan you that 100 grand and I charge you 12%. I know I'm expensive, but I charge you 12% on that money. That money came from that insurance company which is still paying me 4% plus dividend, but I just lent it out to you at 12%. It's not a bad game, right? Then you pay me every single month on that 100 grand, what I do is I take that money you paid me and I put it back into the insurance company, repaying the loan that the insurance company gave me.

What I've effectively just done is the same thing banks do every day. I have recycled and recaptured the money that I would have given to somebody else. What if I took money out of that insurance policy and I paid off a credit card? Let's just pick on Visa. Let's say you were paying $500 a month to Visa on a balance, I took the money out of my banking policy and I pay off Visa. I take the money, that 500 a month that I was giving to Visa and instead of just going and blowing that 500 that I used to pay to Visa for interest, I take that 500 and I put it back in my account? I have spent essentially recycled and recaptured the money that I was giving away to everybody else.

What’s the problem? Remember I said about control? We've been taught our whole lives to just give up control of money over and over and over again. When we pay off a credit card, what do we do with the money that we used to give to the credit card company? Nothing. We go blow it. Well, what if you could just change one thing and just take that money we're giving Visa and just take that money and put it back in your account? It would work in a savings account, a checking account, or these banking policies that I'm talking about.

[0:18:16.4] WS: Is the real secret that the compounding interest versus the simple interest like you’re talking about, could you elaborate the difference there a little bit?

[0:18:23.0] CN: Sure. There's two big secrets here that we got to pick up. Number one, the insurance company pays us a higher interest rate guaranteed than anyone else is willing to pay us. The insurance company allows us to use their money and our money that's used as collateral. If they give us a 100 grand of our money, they're using our 100 grand as collateral. Now they're charging us interest at 5%. We're making 4% guaranteed, plus a dividend. I can tell you right now, the dividend and the interest is about 6.2%. If you take 6.2 minus 5, what is that? It’s 1.2%, right? That's only the first year. Every year, that number gets better and better in your favor. By year five, your money would be a cash on cash return. If you deposited a 100 grand every year, your cash on cash return like we do with real estate would probably be closer to by year five, let's just say 8%. 8 minus is 5 is what? More than it was before.

We don't need to do the math. It doesn't matter. We could just keep playing that game. By year 10, you're probably making close to 90% cash on cash on whatever money you deposited.

That's the thing. Most people don't know how to do this map, because it's not the common way we calculate numbers. All I'm saying is if you had a way to put money somewhere, make that a return and use your money anytime you wanted it and still make money on the money that was in your account even though it's gone, that would change your life. It would change your real estate business. This is how I've done it.

The problem is is now I've danced all around it. I'm sure a lot of these people that are listening and probably yourself are probably like, "What the heck is this thing at this insurance company?" You're probably wondering, right? Well, when I tell you what it is, remember Will Rogers, what we use is a very, very specially designed whole life insurance policy from a mutually owned company. See now, that hmm.

[0:20:07.4] WS: We can't just call our own insurance company, right?

[0:20:09.4] CN: You can try, but it will never do what I'm showing you, ever. You can do that and a lot of people do. See, the way we do this is the same way the banks do this with insurance companies, because the banks are the number one purchasers of these specially designed whole life policies out of anyone. They own more whole life than they do all the land and the buildings combined, but we just have never been taught to do this. When you think of whole life, what do you think of? Money when you die, don't you?

[0:20:32.3] WS: Yeah.

[0:20:32.9] CN: It's what most people think of it as an insurance policy. Now, what most people don't understand is you can use that insurance policy as a banking instrument, but not in its general form. You need to literally flip it upside down, spin it around backwards and get the insurance companies from very specific insurance companies to agree to what I just told you, then you've got yourself a banking system. That's what the Rockefellers created and that's what we use. It's exactly what we do. It's what I've used in my practice and it's what we help people set up.

[0:21:01.8] WS: Do you have to keep putting money in this year after year after year, or what's the commitment long-term?

[0:21:07.3] CN: Whatever you want to do. That's the thing. Depending on how you want to build your banking system, for example, right before this call, this podcast, I got a call from a guy who just sold his AC business. He's got 1.9 million and he doesn't know what to do with it. We talked about this. I ran him the designs. He's going to make a deposit one time of 1.9 million dollars. That's it. He doesn't ever want to put money in after that.

Now there's rules. We have to abide by some serious rules with the IRS to do that, so we'll have to slowly put that money into this vehicle over a couple years. At the end of the day, that's all he had is 1.9 million and he wanted to put it in at one time. Most people when they build these, what we do is we say, what are you saving now? "Well, I'm putting this much into checking account, this much into a savings account I'm putting this much in a 401(k)." We just tell people, "Well, let's look at just changing one thing. Don't make more money. Don't do anything different. Let's take the money you're already saving and let's just change where it goes first." We show them to put that money in these specially designed whole life vehicles that we create as a banking instrument and then we just show them to use this vehicle to pay whatever they're paying with that money in the checking account.

Real estate is a really easy one to do, because you can take the money from your banking policy, loan it to your LLC or your entity, then from your entity use that money to buy the piece of real estate. Then when the cash flow comes in from the real estate, you just pay yourself back. Instead of using a bank and someone else's money, why not use your own money? Most people will put money into these every single year, but it doesn't matter. However, you want to do it.

[0:22:32.9] WS: You mentioned not paying taxes. How does that work, because when you die your family does actually get it tax-free, or how does that work?

[0:22:38.4] CN: That's exactly where it starts. Let's talk about when you die, when you graduate as I like to call it. I hate talking about death. It's when you graduate, that day when you graduate, this policy that you set up has a death benefit as well. Even though that's not why we did it, there's still going to be a death benefit, so that money's paid out to your family tax-free. What the IRS says is when you're using this money the way that I just mentioned, all of the gains in that, as long as it's used properly, are all tax-free as well.

The best part is is remember all those loans we keep taking from the insurance company, most people are probably thinking, "Yeah, I got to pay all those loans back. I don't want to borrow any more money. I'm trying to get out of debt." Great. Don't pay the insurance company back. They will never ask for that money back, because the insurance company agreed to pay you a death benefit, or pay your family a death benefit the day you graduate. All the insurance company is going to do if you don't pay the loans back is they're going to say, "Okay, you've got these outstanding loans, we're just going to take it from the death benefit."

Your whole life while you're doing this, all you're really doing is you're just taking an advance of your death benefit while you're living and you're getting to enjoy the money. I don't know about you, but I've truly never met anybody in my life that cares more about the money somebody gets the day they die, than they do about the money they have to use today. I mean, when you meet somebody that cares more about that, then you might want to talk some sense into them.

[0:23:51.0] WS: No, that's so interesting. I'm just thinking through like, "Okay, if I'm a real estate investor –" and a lot of people listening are obviously and they're trying to think about investing in this business. Sounds like okay, before they go and invest in some deal, maybe they invested in this, then they could draw the money out and invest in a deal. Is that correct?

[0:24:06.9] CN: There's a couple ways we can look at that. Yeah and they could, but most people want their cake and they want to eat it now and they want a side of ice cream. To do that would prolong them buying real estate. What I always tell people is buy real estate, do that. But most people need money for the real estate. I wrote a book, *The Private Money Guide*, that's all about where all the money is for your real estate deals. I always tell people, if you're looking for money for your deals, you need to gap fund with the bank or the hard money lender won't give you, when you go out and you look for funds from private investors, start talking to people and find out if they have permanent life insurance policies, because they can take loans from their policies too. They don't know it, or they may know it, they just don't know how to do it, you could basically use that to fund your real estate deals.

That's something different, right? I'm talking about setting up a plan for yourself, a banking system for yourself. There's more to this. We only have 30 minutes to go into this, so I'm really – I'm literally hitting high-level stuff and a lot of questions are going to come out of this. We have a full video that we have people watch and it teaches them exactly how this system works, how banks used it, Fortune 100 and 500 companies use this.

Let me give you one other thing, because I know a lot of people are still not believing it because they've never heard of this before. I want you to walk into a bank and I want you to look around and tell me how many vice presidents do you see? Isn't there a vice president of everything in a bank? That guy's a vice president, that guy's vice president of janitorial, that guy's a vice president of closing the store. I'm joking, but you get the drift. There's a lot of vice presidents and no one ever asks, "Why do you need so many vice presidents?" I know I always did. I'm like, "Well, I guess they just want a lot of vice presidents."

The fact of the matter is this, the banks need executives called vice presidents, in order to buy more whole life. Every time they promote somebody to a vice president, they are now an executive of that bank, which gives the bank an insurable interest in that VP. What does the bank do? The bank gives them a raise, gives them a fully paid up life insurance policy for the rest of their life and they give them a deferred compensation. Ask any vice president, this is what they get.

What do you think funds that deferred compensation? The system I just told you. They take loans from the insurance company, they fund the deferred compensation plan, someday that employee when they're retired and everything, they graduate, that death benefit from that policy that the bank owns, not the employee, the bank owns the policy, but the insured is the vice president, the family of that insured, that vice president gets paid out a 100,000. How much do you think the bank gets? Can I just say it's more than a $100,000 and it's paid out to the bank.

Now the bank just got all their money back, plus a bunch more. The bank got to use all that money every single year that employee was there and the employee was tickled pink, because he got to be a vice president, got a little bit of a raise and he got a fully paid-up life insurance plan and a deferred comp that paid him an income for the rest of his life. That's why banks have so many vice presidents.

Then start going to companies like GE, Apple and start really looking at that, their executives have these executive bonus plans. What do you think funds them? Exactly what I just told you.

You don't need to believe me. Research it. You'll find the stuff's all over the place. It's called privatized banking. That's what it's called. Once you started uncovering this, you start peeling that onion, you'll start seeing how much this system is used in so many things that you are around every single day of your life, but nobody's ever taught you or showed you this because your insurance agent, your financial advisor will never ever even know how to do this.

They'll say they do, but they will not know how to do this, because it requires them to give up 60% to 90% of their commission. Go to your advisor and say, "Hey, I got this great thing I want you to set up for me, but you got to take 90% less pay. Can you do that?" The advisor is going to be like, "Man, I don't know." That's how it works. We have to give up commission in order for you to have use of your money.

[0:27:49.3] WS: There's got to be some cons, right?

[0:27:51.1] CN: Yeah. The biggest con is in the first year of setting up these plans, you will not have access to all of your money. The second con is the insurance company does charge you a fee. For example, one of the largest ones charge you a $50 annual policy fee and there's a cost for the insurance, which I already factored in to all of that, but those are the cons. The biggest one is you don't have access to 100% of your money in the very first year. That's the worst one.

[0:28:16.6] WS: Then after that, you do, or soon after –

[0:28:18.5] CN: Correct. Depending on how we design the plan and how you do it, there's different – and designs, you're going to have access to pretty much all of your money by the second or third year and I'm just going to talk real estate investors. The plan we do for real estate investors is a corporate plan from the insurance companies and that's going to give you access to a 100% of your money usually in year two or three. It's only year three if it's a really small plan.

[0:28:39.5] WS: Wow. Okay, Chris. What's the biggest question or the biggest thing that maybe turns people away from something like this?

[0:28:45.1] CN: The fact that they've never heard about it and it sounds too good to be true. Hands down, the number one thing people always question and they just –

[0:28:51.6] WS: Just don't believe.

[0:28:52.5] CN: Yeah. Well, they just don't believe it. It's the Will Rogers thing.

[0:28:54.6] WS: Wow. Changing gears just a little bit, because we've just got a couple minutes left. What's a way you've recently improved your business that we could apply to ours?

[0:29:01.2] CN: The way that I've improved my business. The real estate business, what we've actually done is we started doing more deals with less work. The market is so hot and there's so few properties on the market. We've actually been doing a lot less work to our deals before we sell them, because there's just so much demand. We've been playing into this hot market with that. That's one of the biggest things we've been doing that's really just been crushing it.

[0:29:22.0] WS: Very smart. So, less expenses, less time spent.

[0:29:24.9] CN: Absolutely. Much less time. Yeah, whole telling, if you will.

[0:29:27.6] WS: What's your best source of meeting new investors right now?

[0:29:30.6] CN: Usually podcast and biggest thing is masterminds. I belong to a lot of masterminds. That's how I meet almost everybody. And different webinars that we're on, those are the best ways. Can't really go anywhere, so the RIA's aren't really as effective anymore.

[0:29:41.9] WS: Right. What's the number one thing that's contributed to your success?

[0:29:44.8] CN: Just persistency and consistency. I failed so many times, but I never ever was willing to accept no as the final answer, because I knew every no put me one step closer to a yes.

[0:29:54.6] WS: How do you like to give back?

[0:29:56.2] CN: That's all I do. Every day in my life, I've learned that if I give – Zig Ziglar says, “If you help enough people get what they want, you too will get what you want.” That's the story of my life. I give and give and give and I don't ever think about to get back, but that's coming and that's how I live my life.

[0:30:11.6] WS: Grateful for your time today, Chris. I'm grateful for how you've given to us today and just sharing what you've learned and how you're building wealth and helping others build wealth as well, with this model that seems too good to be true and I hope that we're opening people's eyes to it. I know I'm going to do some more research myself and hopefully, learn more about it. Tell people how they can get in touch with you and learn more about you though.

[0:30:30.3] CN: Sure. Best way is chrisnaugle.com. It's N-A-U-G-L-E, my website and I'm all over social media, so Instagram or Facebook, just look up Chris and then Naugle. N-A-U-G-L-E.

[END OF INTERVIEW]

[0:30:42.6] 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]

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