EPISODE 635

[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]

[00:00:24] WS: This is your daily real estate syndication show. I'm your host, Whitney Sewell. Today, our guest is Charles Dobens. Thanks for being on the show again, Charles.

[00:00:33] CD: Thank you, Whitney. Thanks for having me.

[00:00:35] WS: Honored to have you back on the show. If you haven't heard of Charles before, you should go back and listen to show WS 131. It seems like forever ago, almost 500. Yeah, over 500 shows ago, Charles.

[00:00:50] CD: I was 131. You tramp. You tramp. I thought that I was like one of your first.

[00:00:57] WS: Well, I mean, after this many shows, it almost was one of the first.

[00:01:00] CD: No kidding, yeah. I don't think that helps anybody anyway. Okay.

[00:01:05] WS: No. Honored to have you back. In case you haven't heard of Charles also, he's a multifamily investor attorney and mentor to multifamily investors all around the country. Charles founded the Multifamily Investing Academy where he works with students in his own reform program to train them in the correct way to acquire, operate, and own multifamily property.

His legal and consulting practice has one specialty, and that's helping new investors overcome any lack of confidence in moving toward their financial objective of owning and operating apartments. Charles is uniquely qualified to walk investors confidently through the entire process of analyzing properties, negotiating contracts, organizing funding, as well as transitioning to ownership.

Charles, thank you again. I'm looking forward to this. Why don't you give us a little update of who you are just for the listeners that haven't heard of you before and your focus. Then I want to jump in to just especially with background and your experience level, some of the upcoming trends that you see happening in the multifamily business and just with everything that's happening.

[00:02:09] CD: Yeah, absolutely. Listen, thanks for having me, Whitney. I am what I call the multifamilyattorney.com, and that will get you to my website. But one of the things when I was starting off in multifamily and doing everything wrong, I realized that there's nobody there looking over your shoulder. You can hire a coach, and I did and I hired attorneys, and they all – They were great attorneys. They could close a title, they could draft contracts, but they couldn't tell you if the deal was a good one.

That's when I realized that there needs to be someone in the marketplace that can really protect the students in a way that the same way an attorney is your zealous advocate through the legal system. Somebody who can look over your shoulder and make sure you're doing everything correctly. That's when I started the owner forum and that was almost 10 years ago right now, Whitney. It is amazing how long it's been but it's been an absolute blast. I love it.

My owner forum is made up of students who have become friends of mine. That's what happens in our group, and I make sure that they're protected. I want to make sure they're doing everything correctly. This is something that is key. I do not partner with my students. I know there are a lot of these gurus out there that they take a cut of the action. I can't do that and still really maintain my law license because if I did and part of my compensation is derived by you doing the deal and it's a bad deal, I could lose my license. I'm not – I worked too hard for that, so better off just making sure you are protected. That's my job as an attorney.

[00:03:47] WS: When did you get into real estate versus when you became an attorney? I couldn't remember.

[00:03:52] CD: I actually started an insurance company many years ago and did that for many years and then said, "If I don't get out of the insurance business, I'm going to be in an early grave." So, I quit the insurance business and started buying apartments. That was probably about 2005. Then from that point on, we bought good properties. We bought bad properties. We survived the crash. We didn't survive the crash. I mean, we've been through so many different transactions. I say we, my wife and myself.

It was after the crash when I had a lot of friends in this business, and they came to me and said, "Hey, can you represent me? The bank is looking to take my property. Can you – Anything you can do." Of course, I said yes and I said by that stage, being an attorney in that situation, it's pretty reactionary. I mean, it's – There's nothing you can do. You can't be proactive. Everything has already been done. You're just holding the guy's hand through the foreclosure process. This is back in 2008, 2009 when things were really bad.

What I realized was that I looked at some of these deals and I asked the investor. I said, "Why did you buy this property?" "Oh, it's a great deal. I took this guy's class and he said that this is exactly what you're looking for." I came to the realization that these are terrible deals. The guy – Not only is he going to lose it but he should never have bought it the first place. I said they need – "These investors need help at the beginning to make sure they don't get themselves into a bad deal."

That's kind of where we went, how the Multifamily Investing Academy started, how really I stopped practicing law. That's what I tell my students. "I'm a lawyer. I'm not your lawyer. You will hire a lawyer because my template is not good in all 50 states. My purchase and sale contract is not good in all 50 states. You're going to have a local counsel. I will work with that local counsel and make sure everything goes right but I can't represent you as your attorney. I'm only licensed in Massachusetts." That's how the whole process got started.

[00:05:55] WS: Awesome. I think it's a very interesting or unique dynamic that you have that background in addition to the real estate, just a knowledge and ability as well. I love that dynamic. But with that experience that you've had over many years now and many students and many deals, let's jump into just the trends and upcoming trends, the things that you see happening. But maybe you can even highlight a little bit on through the pandemic and what you've seen happen and how you've seen that effect even students or your properties both.

[00:06:26] CD: Yeah, okay. If we talk about the pandemic, it's going to be a discussion in the micro world of multifamily, because I'll tell you right now the fundamentals of the multifamily business are so strong and they're not getting any weaker. A lot of that has to do with the demographic shifts that are going on in our country, and nothing says the story better than Chris Porter and John Cole's book, *Big Shifts Ahead*. I did a whole webinar on this particular book, and it's a lot of fun. If you are looking for it, send me an email or go on my website. I think my assistant has got it posted there somehow. But I went through that entire book with a multifamily's bent or slant as I went through it.

The things that are going on right now in this country are so positive for multifamily. The kids that were born in the 1990s, 73% of them will only rent homes. They will never own, 73%. That's what we're looking at. That's one of the shifts that we're seeing. Because of those shifts, that is just going to make our business so incredibly strong. It also talks about the shifts of where people are moving to. They have a great slide that I talked about on Dan Hanford's program the other day where the south grows while the north slows. That's people are moving to the South.

I know – Believe me, I got about five more years in this place and I am done. I think five years is going to be a stretch. I can't wait to get down south where I'm warm all the time. I'm so tired of being cold.

[00:08:04] WS: You mentioned 73% of people born in the '90s will never own a home. Is that because they won't have the career or the job or they just don't want to or do you know why?

[00:08:14] CD: Yeah, both. Two reasons are the biggest reasons. Number one is student debt. These kids are coming out of school with more debt than you can imagine, and that's killing them for homeownership and that's going to have a massive impact on our country 40, 50, 60 years from now. Because of what the federal government has done by taking over the student loan business and subsidizing it and watching it grow like you've never seen before, that is going to have a negative, negative impact on these kids all the way for the rest of their lives. It is atrocious. I mean, you think okay, fine. You paid off the loans. It took you 10, 20 years to do it. That's 10 or 20 years of lost life that you can never get back with that they could've been building assets. They could've been building their net worth and they haven't because of student debt. That's number one.

The other reason too is these kids, they're not looking at homeownership the way that our parents did or I did back when I got out of college. It's not that important to them.

[00:09:15] WS: It used to be the thing of pride, right? "I want to own my own home and want to get paid for." That desire is not there anymore.

[00:09:22] CD: It isn't. I mean, you look at it and especially you know who did I think the biggest disservice to homeownership and I can't thank him enough for it is Robert Kiyosaki. I remember when his book first came out, when I first heard about Robert Kiyosaki's book, when he said that your family home is not an asset. I thought to myself this guy doesn't know what he's talking about. Then I read the book and then I started to look around like, "Oh, my gosh! That guy is right. That guy is so right." I could tell you. I mean, I live in a big beautiful house. Man, that thing cost me close to $100,000 a year just to maintain. So, yeah, that's a lousy investment, lousy investment.

The kids nowadays are seeing that and they're like, "I'm not going to get into that. Why would I bother getting into that type of a situation?" That is all going to come back and impact our business in the multifamily side. Those are some of the trends that we're seeing that multifamily is so incredibly strong, just because the demographic changes that are going to be happening in this country. Keep in mind too, for us to survive as a country, our homogenous population like our in force American citizens are not producing children enough to be able to support the debt that we have created for ourselves. The only way our country can get out of the mess that it's in is by bringing in immigrants.

Now, Whitney, I know you don't like immigrants but I'm telling you right now we –

[00:11:01] WS: I've never said that by the way.

[00:11:02] CD: I'm sorry. Yeah, okay. Fine. I'm teasing you. I'm teasing you but the thing is the only way that we can survive is we have to have a very strong immigration policy for this country. That's the only way. Immigrants come in here. They rent apartments. Not only do they rent apartments. They may also buy apartments. I can tell you right now. My client base – I have about 150 clients in my program. I would venture to say half if not more are first generation immigrants, and those are the people looking to buy apartments. For those reasons, it's a great business to be in.

Another – A couple other reasons why people don't quite see this one. Listen, I was around for the last crash. I've been through this cycle. I've been actually because of the generation that I was born in, and they talk about this in the book, *Big Shifts Ahead.* Because of the generation I was born in, my generation has the lowest net worth of any generation ever before in its history, and that's because we've been through three negative real estate cycles, three very bad real estate cycles. We've lost more net worth foreclosures I know in my generation than any other group. I know –

[00:12:17] WS: I heard it was pretty bad in the '30s, was it?

[00:12:22] CD: You want to do that to me, do you now, Whitney? Bring it on, brother. Bring it on. Oh, my gosh! I love it when podcasters turn 10 years old like yourself [inaudible 00:12:33]. It's always fun talking to you. I don't ever want to go over the fact that you used to be a state trooper. I'm not even going to touch that one right now, okay? I'm going to leave that one alone.

But one of the things is that and I talk about this all the time, one of my most favorite movies is *The Big Short*, *The Big Short*. Folks, if you haven't seen it, you got to go see it and you can't see it once. You got to watch it like four times and you got to bring a notepad and you got to write down what's going on in that movie because you will understand what went on back in 2008 when everything started to crash. The key that you have to understand on why that movie for me is a great way to use as an example what's going on today is to understand that back in 2008, if you could fog up a mirror, you could get a multifamily loan.

Back then, we call them and we still do, we call them – Whitney, you're going to laugh. As soon as you do, I know you're going to know what I'm talking about. We call them California investors. These were the people who had more money than smarts, and they came into different areas like Texas, and they went and bought everything up because the cap rates were so and they could afford to buy so much. As soon as the market crashed, they were gone, and all of these properties sat foul. There was nothing going on. There are so many foreclosures, and Fannie and Freddie went belly up. Fannie and Freddie got a little smart, and they said, "We're not going to rent to these types of people anymore. We're going to put in new underwriting requirements for multifamily mortgage."

What they did back then is why multifamily is so strong today, and I have a lot of students that are saying, "Hey, there's no way I can qualify for this mortgage. I don't have the net worth. They want a Key Principal." I said, "Listen, I can take care of all those problems for you, but we have to understand. There's a reason why the lenders have that requirement on their guidelines. It's because it protects this whole entire industry from something happening like 2008."

[00:14:40] WS: What's the requirement and what happened?

[00:14:42] CD: Typically, Key Principal has to have a – You have to have a Key Principal on your deal who can do three things. First off, they have to have a net worth equal to the purchase price of the property, they have to have liquidity equal to about nine months of the mortgage payments, and they have to have experience. If you're doing this in a local basis, you don't really need the experience. If you're doing this on as an absentee landlord as they call it, you have to have at least two years of multifamily experience.

That's a barrier to entry that many people can't overcome, many new investors can't overcome. They're like, "Well, how am I supposed to get in this business?" Well, we'll find you a KP to partner with you in that particular deal. But you have to understand that this barrier to your entry is a good thing once you're in because now you know that this – They're not just going to give out loans to anybody. Now, that property has to be – You have to look after that baby every step of the way or you're not going to get the mortgage. That's good for us. That's a protection on our industry.

That's one of the reasons why I actually like what's happened since then and why I think multi-family is so incredibly strong. One of them that I always like to talk about is what I call the apartments.com test. If you're looking at a particular deal, I want you to do the apartments.com test. Let me tell you my personal situation. I just sold two of my complexes, and we got a couple more to go. Then what I'm – I'm moving. I've got my life here in New Hampshire. We're looking to move down to South Carolina.

But in the meantime, I want to invest in Southern New Hampshire. I think Southern New Hampshire is a phenomenal place to do business. It is just outside of Massachusetts, right at the border. The towns that I'm looking to invest in are right along the border, and New Hampshire has no sales, no income tax, so more and more people want to live here. Everything's going great, so I've been looking to buy an apartment complex in Southern New Hampshire.

Whitney, and I know my students are looking all over the country as well too, but up here in this particular area, you can't find them. They just don't exist. The ones that pop up for sale, they are overpriced. But here's the test and this is the key is go find your market. Find the communities that you're looking in. Get the ZIP codes. Go to apartments.com. Type in the ZIP code, type in the town, and hit enter. Look for those types of properties that fit the classification of the deals that you're looking for, A, B, C class property. When you look at those properties, click on them and see if they have any availability.

Whitney, the properties that I'm looking for in Southern New Hampshire, along that southern tier, there's a waiting list. You can't get in. The golf course that I grew up playing right across the way from my house, this is its last year. 36-hole public course, this is its last year. Amazon is building a distribution center. They're putting in 5,000 new jobs, and there's no place for these people to live.

So, guess what I'm doing? I'm building. And so, my job is now I'm not looking for the properties. I'm looking for the land and I've already got the construction set up. I'm just looking for the land. I'm going to go through the process of acquiring the land and I'm ready to rock and roll because in my marketplace, that's where the demand is. That's where the need is because the demand is so incredibly strong for our product. That's the case as it is. There's half a million net households that will not have a place to live over the next five years. We've got to build them. It's an amazing business to be in right now.

[00:18:23] WS: Speaking of which, as far as the next five years but even like shorter than that, what do you see over the next six months to a year? Are you still advising students to be looking for deals, buying deals right now? Or is it like, "Well."? I've heard so many people say, "Oh, no. We're waiting six months or a year to see how this turns out." What's your view on that?

[00:18:43] CD: Well, you always have to be looking. You always have to be looking. Don't think, "Oh, I'm just going to ride the trends." No, no. You've got to find the deals. That's your job as a multifamily investor. 90% of this business is sales and marketing. You have to be prospecting for your first sale every single day. Your first sale in this business is to get a seller to accept your offer. That's the first sale. If you don't make that sale, you've got nothing going on. You're like an insurance business. You're going to get out there every day looking for that prospect who's going to say yes to your insurance product. In this business, you've got to get out there every single day and look for that person who's going to say yes to your offer.

Don't follow these trends like, "Oh, well. Now is not the right time to buy because of COVID." Bull. Let me tell you why. The world doesn't follow what's going on with COVID. Husbands and wives get divorced and they have to sell that property. The owner of the property for the last 40 years passes away, and his absentee family who all the kids live in 3,000 miles away, they don't want to have anything to do with that property. If you're sitting in your house waiting for things to happen, get out of your comfort zone. Nothing grows in your comfort zone, so don't sit around and wait. Get out there and find those deals. Don't worry about what's going on with COVID.

I'll tell you what's going on with COVID. Rents are off. Rents will be back on. We anticipate about a 7% reduction in the rents over the next six months. The next year, it's, going to take back off again, so why don't you go in there now and buy a property when the rents are at the lowest as they've been for the last five years? Pay less for your property, and next year it's going to take off again. Or you can sit around and wait. But I'll tell you I don't have time, Whitney. I'm not like you. I graduated from elementary school years ago. You, on the other hand, still have that. Look at yourself.

[00:20:39] WS: I'm still working on it.

[00:20:40] CD: When was the last time you shaved? I had a race with my kids. That's why I have a beard right now. I sit around the dining room table with my kids. I have a 20-year-old son and a 24-year-old son, and they all like got facial hair. I'm like, "When was the last time you shaved?" One of my sons said, "Oh, about a week ago." I said, "That's a week's growth?" He goes, "Yeah." I said, "Tell you what. I'm not going to shave right now. I'm not going to shave and I'm going to pass you within two weeks. I'm going to – Within two weeks, my beard will be so much longer than yours." This is like what ended up happening in two weeks. My kids got nothing for facial hair. Looks like you for crying out loud.

[00:21:16] WS: How had this affected your underwriting right now? Tell us how you're underwriting deals right now. We're still looking for deals. I believe. I agree with you completely. You always have to be looking. How else are you going to have a pulse on what's happening or how do you know if it's a deal right now?

[00:21:29] CD: Right, okay. Two major things have shifted in our underwriting process as a result of COVID. Number one is 0% rent increase for the next two years. Underwrite for 0%. Number two, the issue is that reserve requirement from Fannie and Freddie. Now, understand, folks. What's happened is Fannie just came out with their new guidelines and they're telling you what types of deals require what types of reserve requirements. Typically, it's about nine months of principal and interest that you need to set aside. It varies based upon the tier of the property, and it's actually not the tier of the property, the tier of the loan.

But they are coming out and telling you you need to reserve nine months in order to make the deal happen, and the thing is Fannie wants 18 months of debt service for deals below six million, and Freddie is okay with 12 months. That's why you're going to see more people going for Freddie. I have a student that's doing a deal right now and I'll tell you right now the requirements that Fannie and Freddie are putting on them could kill the deal. That's really unfortunate. We got to figure out ways around that. If you're listening to me right now, you've got to understand those requirements while you are underwriting that particular deal how you need to build those reserves into your analysis because they are going to impact your cash flow.

[00:23:03] WS: No doubt about it.

[00:23:04] CD: Yeah. You've got to be real about it because it's a big difference.

[00:23:08] WS: Where are you finding that information? Just so the listeners know, like where do you see those requirements and what Freddie and Fannie have on right now for requirements?

[00:23:17] CD: Just Google Fannie Mae underwriting requirements. It's really about throwing the key word COVID because that's really what it will pop it up. You also want to do Fannie Mae and you also want to do Freddie Mac, those two particular lenders. Those are the requirements that we're looking for. If you're looking, you speak to a particular broker. They may be able to find you some insurance company money, some conduit loans, some bridge financing where you're not needing those types of requirements. You're not dealing with a Fannie or Freddie. In that regard, you might be able to skirt those issues but nevertheless you need to take it in consideration.

But also, you can take it into consideration to use it to your advantage to go to the seller and say, "I have a problem. Because of all that's going on, my bank is underwriting this deal as if we're not going to get a rent increase for the next two years." Really, that's exactly how the underwriters are doing it. They're not looking for a rate increase for the next two years. You can use that information against the seller to your benefit, so don't hesitate, guys. Don't hesitate. I mean, if you can drop that price, that's money that his kids don't get, that your kids do get.

[00:24:30] WS: You mentioned that you expect a 7% reduction, say, within the next six months or so in rent. Are you also underwriting that as well?

[00:24:37] CD: No. Just building it in as a flat for the next two years because remember if that's the case over the next seven years, we're going to start to see that trend right now. So we can see that trend in the trailing 12 and that's going to impact the NOI which will then impact the price. This is another thing is COVID – A lot of these sellers thought that the world was not going to cave in. For some of them, it did, so you're going to start to see some sellers who are like, "Hey, pigs get fat and hogs get slaughtered." I better not be hog here and just grab my chips and get out of this business right now. That's when you're going to start to see some movement on deals.

[00:25:13] WS: Speaking of reserves, I know we talked about what agencies are requiring. Just a question I like to ask operators, especially experienced as you are, how do you account for reserves even in this market? What kind of reserves? Do you have some type of method that you tell students to have this much for this kind of property or how do you do that?

[00:25:32] CD: I just use the standard $300 per unit per year. Understand what that number represents. Obviously, if you're dealing with a class A property, the lender is going to do lower. But just remember we are in a business. All business requires cash. If a business doesn't have cash, it's out of business, so don't try to run short like, "Oh, I don't need $200 per unit per year reserves." Go ahead and raise the money and have that money in a bank because you never know when something like COVID is going to hit again. Usually, about $300 per unit per year is what I use as a reserve.

[00:26:07] WS: You're going to have that upfront for like depending on the hold period time?

[00:26:11] CD: Yeah. I'd keep that in the bank. Really, unless I know it's going to impact the cash-on-cash return because it's money that just sitting in the bank account, but you much rather have the money there and have a slightly lower cash-on-cash return than having a cash call for your investors because they'll be like, "What's going on? What do you mean you need more money?" That's the best way to run these types of deals.

Keep in mind, when I first got started in this business, the big reserve number back then was $200 per unit per year. Now, it seems the minimum is 300 and the reason is because obviously I've been doing this longer than you. Yeah, I know. We're going to do this, Whitney, all day long. But when I first started, inflation has gone up and the properties have gotten older. That's why you need more money on your reserves.

[00:27:02] WS: No doubt.

[00:27:02] CD: Remember these reserves are just to sit in an account for the running of the operations. This is not necessarily over and above what the lender wants as far as their reserve replacements. If you are having any type of rehab, if you're buying this property as a repositioning, please don't try to pay for your repositioning with current cash flows. No greater recipe for disaster. Raise all the money you need upfront and get to work.

[00:27:32] WS: For sure. For sure. No, that's great advice. No doubt about it. Anything else as far as the market is concerned that you see happening that we need to be aware before I jump to a few final questions before we run out of time?

[00:27:43] CD: No. I think that's – I mean, barriers to entry I think are really helping our business. As I tell my students, the first two deals are going to be the toughest ones you ever do. Once you've got two done, the deals are going to just start dropping on your lap. For new investors, I think the barrier to entry is problematic. Once you get over that, this is a great business. Best business in the world to be in.

[00:28:05] WS: For sure. Well, what's a way you've recently improved your business that we could apply to ours besides an airplane?

[00:28:12] CD: You want to talk about my plane? No. So how have I improved my business? I tell you part of the operations of my business have been to really just – Right now, we are in the phase down period for the properties that we own so that we can start to build. I tell you building is where I see the future going. I'm looking at modular. I'm looking at stick built. I'm going to the planning board meetings in my town the first Thursday of every month. I am listening to how it's done. It's an area of this business that you and I prior I never thought about building. I would just go and buy performing assets. I'm telling you right now. I think the opportunities for new investors may be in buying land and understanding the zoning laws and understanding how to do this. I'm going to be – This is all going to be part of my program at some point, but that's kind of where we see it going.

[00:29:10] WS: Is that more in your specific market or are you saying, "Okay, we should probably investigate this option a little more probably in other markets or no matter what market we're in?"

[00:29:20] CD: Everywhere. If you are having trouble finding deals in your marketplace because the competition is too tough, you're getting beat out, you're getting best in final, and then you're losing and you can pass. You run that apartments.com test and you see, holy cow, there is a need here for more units. People just can't find what they're looking for. Try to be a consumer of your product. Go out there and see how tough it is to find units available based upon one-bedroom, two-bedroom studios. You'll get a chance to see what it's like these people coming into your marketplace that they've got no place to live. They've got no place to live in, and it's going to continue that way.

I look at it as like I don't care. Do that test. Make sure there's only – According to one of the studies that I just looked at, the top 150 MSAs, there were only 3 MSAs that had more supply than demand; Miami, Austin, and Washington DC. Everybody else had more demand than supply. What does that tell you? If you're all looking for trends, you're all trying to figure out what the next emerging market is, the next emerging market might not be a geographical market. It may be a form of a real estate market and maybe in construction, as opposed to buying nonperforming assets or something like that. That might be where the next trend is.

[00:30:42] WS: What's your best source for finding new investors right now or meeting new investors?

[00:30:46] CD: Always talking, asking everybody. This is part of the sales process is asking people to invest with you. A lot of people that look to get in this business just don't feel comfortable doing that, so what they do is I teach them to make it an easy ask. Don't put the onus on the person sitting across from you. What I want you to do is just ask a simple question. "This is what I do. Do you know anyone that might be interested?" That doesn't put – You're not asking the person in front of you to buy. You're just asking them to help you. Who else do you know that might be interested in that? Their reaction might be, "Hey, what about me? I'm interested in this." Okay, good. Let's talk more about it.

You've got always be asking people to invest with you or to build up your database. I mean, Whiney, I had a bunch of calls today, a bunch of podcast calls today with other investors, other syndicators. This is how they did it. They are always – As much as they were looking for deals, they're looking for money. That's what's you're going to do. It really is.

[00:31:52] WS: What's the number one thing that's contributed to your success?

[00:31:55] CD: Probably my good looks. Probably good looks, yeah.

[00:31:58] WS: No, seriously.

[00:31:59] CD: No, seriously. Wow! Wow! My favorite slogan, which is nothing grows in your comfort zone.

[00:32:08] WS: For sure.

[00:32:08] CD: Two mantras that I have is number one is, well, if he can do it, so can I. That has allowed me to do anything; fly planes, buy apartments, go to law school. If these guys can do it, so can I. I want people – Don't be intimidated by somebody else's success. We're all the same. If they can do it, so can you. The number one thing is you've got to take action. If you don't take action, this is just you and me talking.

I know this has been very intellectually stimulating for you, Whitney. I'm a little – I can't really do all the [inaudible 00:32:45] as I walk away, but that's what I typically get out of Whitney Sewell.

[00:32:50] WS: No, I love that. You got to get out of your comfort zone. I haven't heard – I don't think I've heard anybody say that before like you said though, but not being intimidated by other people's success because I think it's easy to do that and say, "Oh, they could it but I could never do that." That's the wrong mindset right there. I completely agree. If they can do it, I can do it too. We'll figure it out. How do like to give back, Charles?

[00:33:13] CD: How do I like to give back? Teaching. I'm always looking for somebody that needs a hand up. If I can find somebody to help, I'm always looking to do it. That's – I love doing this. It's a great – This business has allowed me to do things that I never could've done before for other people. Right now, I'm actually working with the principal of my high school on what's called the Sacred Heart Scholar Fund, and it's for underprivileged kids in Nashua who want the opportunity to go to my high school. It's a private high school, and my job in running this foundation is to get as many successful people involved so that we can take on 20 kids per year from underprivileged organizations to go through our high school.

It all came about from my father. My father was an orphan and he just was in an orphanage till he was 16. The state couldn't take care of them anymore. They had them go live with his alcoholic father. From 16, 17, 18, he lived in a one-bedroom hotel room with his father who was the night manager of this particular hotel. My dad ended up being class president and most popular boy and a great, great guy as he was.

One day, he's walking down the street after school and a carload of teachers pulled up next to him. One of the teachers who is his English teacher who he kept in touch with until the day she died, she said, “Hey, Lenny. What are you doing after high school?” My dad is like, “I don’t know. I can't do anything. I’m poor.” She said, “A kid like you should go to college.” So, she went back and they raised $75 among all the teachers at Nashua High School to send him to college. He had to come up of the $25 remaining for the $100 tuition, and that got my father through college and kind of started – Made him think, “Hey, I can do this.”

When he died, the doctors came in and said, “Lenny, nothing more we can do for you. Make your plans.” He starts barking out all these commands to my sister and me, and he says, “Oh, yeah. And pay this girl’s tuition.” My sister and I look at each other like, “What girl’s tuition? We got a sister we don't know about? You got to pay for someone’s tuition?” He goes, “No, no, no. I’ve been paying her tuition. Go ahead and finish paying for it.” It turns out it was a single mother who worked at the daycare of the Nashua YMCA and she needed – In order to qualify and continue doing what she want to do, she had to get a teaching certificate. She had to go to college first and she didn't have the money to do it, and so the president of the Nashua YMCA came to my dad and said, “Hey, can you pay her tuition?” My dad said, “Yeah, absolutely. I’ll pay for her tuition.”

My dad passed and I'm writing the checks. I got a call from the president of the of the Y and he said – I said, “Yup, yup. I know I'm supposed to pay this. Here is her next semester's tuition.” He goes, “Are you going to pay for next year too?” I said, “Pay for next year? My dad said there was only one more semester left that I have to pay for.” He goes, “Oh, no. She’s got another year to go.” I said, “Well, my dad said pay her tuition. He didn’t say pay one semester. So, yup, I’ll pay her tuition.”

I said, “But this time, we’re going to do it differently.” He goes, “What are we going to do?” I said, “This time, I want to see her grades. I’m going to treat her like Dobens kid. I want to take a look at her grades.” The president of the Y says to me, “Oh, that’s not a problem. She gets straight As.” I said, “Wow! She ain’t no Dobens kid. That’s for darn sure.”

[00:36:50] WS: I appreciate you sharing that story. That’s incredible. That’s an incredible way to give back and I’m grateful for that. That's awesome.

[00:36:58] CD: The president of my high school, Bishop Guertin High school, heard me tell that story. She says, “Well, you do.” I said, “Thank you all. I can’t wait to get started. Let’s do it.” That’s what I've been working on.

[00:37:08] WS: Wow! Well, I look forward to seeing the success of that. Tell the listeners how they get in touch with you, Charles, and learn more about you.

[00:37:14] CD: Check me out, multifamilyinvestingacademy.com or themultifamilyattorney.com. I got some new stuff coming up. You’ve definitely want to check it out. I’m partnering with another attorney, and we are creating a program that is like none other. My father would be rolling over in his grave if he heard me use incorrect English. That's how you can get a hold me, and I’d love to talk to you. I love this business. I love everything about it.

[00:37:40] WS: Awesome. That’s a wrap, Charles. Thank you very much.

[00:37:43] CD: Thanks, Whitney.

[END OF INTERVIEW]

[00:37:44] 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 lifebridge-capital.com and sign up for the newsletter. If you're 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]

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