

**EPISODE 706**

[INTRODUCTION]

**[0:00:00.0] ANNOUNCER:** Welcome to the Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

**[0:00:24.4] WS:** This is your daily Real Estate Syndication Show. I'm your host Whitney Sewell. Today, our guest is Travis Smith, thanks for being on the show Travis.

**[0:00:32.5] TS:** Super glad to be here, thanks for having me.

**[0:00:35.7] WS:** Travis started his career with Morgan Stanley but realized the most direct path to true wealth and financial freedom is in the private markets. He is now a partner in several investor groups he calls tribes, that invest in single family rentals, multi-family, and commercial real estate. However, his favorite investor group is one that enabled him to own vacation homes and even a race horse with his brothers. That's so interesting.

Now, his obsession is to level the playing field, and he knows firsthand that forming investor groups is the great equalizer. As a result, he built Tribevest, an online platform where people can assemble their tribe, align, form, and operate their own investor group. Travis, thanks again for being on the show, I'm looking forward to hearing more about Tribevest, just exactly what that does, how that enables investors. I know there's investors listening right now that's perked their ears, they're wondering how that's helpful to them, and just diving into that.

I would love to hear a little more about this race horse story just a little bit as well. But tell us a little more about who you are and how you got into this type of business?

**[0:01:42.7] TS:** Absolutely. I am and was a lot like, I'm sure, a lot of your listeners, I thought I was doing all the things that I was supposed to do going to school, getting good grades, getting a good job, you know, making a decent income but, you know, realized that there had to be a better way of building wealth.

I always saw real estate as a way to hack wealth without having to give up my day job. But the problem was, one, we never grew up learning how to invest in real estate and, two, of course the biggest barrier for any private investment, especially real estate, is capital. Anyway, on a fishing trip, about 10 years ago, a little more than that now, my brothers and I were talking about this and we kept talking about getting in on this deal, and that deal, and we kind of stopped ourselves and said, "Guys, we just don't have the lump sums of money we need to get in here. What are we going to do about it?" And our breakthrough was, that we each agreed to a manageable monthly contribution of \$500 each a month.

That was \$2,000 between the four of us, \$24,000 a year, and within that first year, we had closed our first deal. Then, as real estate does, one, turned into two, turned into three, and then again and again. We looked back at our multi-million dollar portfolio, and we realized that, by forming and funding that investor tribe, we secured a future we could have never dreamed of. Eventually, led to all sorts of investments, not just real estate but we got into single family, multi-family, a bunch of syndications, and even a race horse at some point.

**[0:03:34.5] WS:** Wow, you all recognized that you need to be investing, right? But you didn't have the capital by yourself, but by pulling it together, you could invest it and start growing your capital faster or earlier on than maybe if you just waited till you saved it up yourself, is that right?

**[0:03:51.8] TS:** That's right, you know, there was more than just capital that was the barrier for us. That's always the most obvious one but the truth is, we didn't have any experience, we didn't have a network of people to help us find the right deals and navigate those deals. You know, we didn't have the guts on our own.

You know, tribe, by pulling together with a tribe, of course we pooled our capital together and then we also got learned and had the confidence to move forward together too. That's really that

the power of the tribe is all encompassing and, ultimately, you end up investing in things you wouldn't or couldn't on your own and that's where we were. We wanted to invest in something we wouldn't or couldn't on our own and now, the tribe serves a little bit of a different purpose. It gives us the ability to invest in more, faster.

**[0:04:43.6] WS:** Wow. Well, why don't we dive into that a little bit? Just why that tribe is so beneficial, and how those things work, and why it's been officially a part of that, and how that helps us?

**[0:04:55.3] TS:** For sure. You know, I think anybody that was in the position I was in, and I think we've all been there right? We've all been in that position where there is that barrier of entry. By forming a tribe, I want to just take a quick step back here and say, listen, we didn't invent tribe investing.

Arguably, we've been tribe investing since the beginning of time, you know, thriving and surviving together, but what we did do is made it 10 times easier, and a tenth the cost to do it. By doing that, we really introduced this concept to people that probably didn't consider it but now that technology exists out there, really, anybody can come together and pool their capital and ultimately put themselves in a position to invest in things, again, that they just normally wouldn't have done.

**[0:05:53.6] WS:** Nice, you know, what are some ways that you've seen investors maybe invest quicker or maybe with less risk by being part of a tribe?

**[0:06:02.8] TS:** Yeah, you nailed it. There are tribes, now we have thousands of them on our platform are investing in all sorts of things. Real estate, you of course is kind of the biggest reason or always the biggest goal for all of our tribes. Or most of our tribes I should say, about 85% are investing in real estate, and that goes for anybody that's like investing in the single family down the road or you know, someone's trying to do a multi-unit for the first time and coming together with their tribe to do that. Then we also see people participating in syndicates and you think about how, most of the time, when you get into a syndicate is \$25,000, \$15,000, \$100,000 minimum, to get in.

You know, if you're new to real estate investing and this is people with a lot of money in a lot of cases too. Even though they have the capital, it's, you know, they're not familiar with this. This is new territory for them. They're way less likely to put \$50,000 down or \$100,000 down of their individual money on a solo investment. It just doesn't feel right, and so, what forming a tribe does for people like that, you can go out and bring in another three people. So instead of \$50,000, everybody is in for \$12,000.

Instead of \$100,000, everybody's in for \$25,000. You kind of get this confidence that you wouldn't have on your own, and that comes because you really spread the risk, right? You weren't all in on it but you were still participating from a very exciting deal. You know, spreading that risk is so important and just getting that confidence. I think that was the thing, like I looked back at my brothers and I. We didn't have the guts, we didn't have the experience, and we didn't have podcasts like this one to kind of get educated on.

It really was you know, we were willing to go out there and kind of do immersive learning but we wouldn't have done that on our own, but together, we would.

**[0:08:18.1] WS:** How do we go about forming a tribe like this and I think about okay, who should be in my tribe and how do I. Should I just be anyone or just thinking about the legalities behind that, you know, how picky is this? Is this a partnership or is it just kind of like, a mastermind, you know, that's investing together, how would you think through that?

**[0:08:38.2] TS:** Great question. To answer your question, it is a partnership. You know, most of our tribes in the end – I kind of start with the end here, they're forming an LLC, they're filing their LLC, and you can do that on our platform in any of the 50 states. We automate that all online, where you get your articles of organization, and you get a number of templates for your operating agreement, and we kind of help you think through those things.

But yeah, you're filing an LLC and everybody that's in the tribe is an owner, they're a business owner, they own that LLC, and therefore a member of the board. When major decisions come up, per the operating agreement, but in most cases, there's a vote to be had by the members of that tribe. To answer your question, they are partners, and that's an important thing, you know? This is a pretty sophisticated audience here and, you know, tribe investing is super simple in

that it's just – it's not just, but it's an LLC and everybody that's in that LLC is not just investor but an owner, and that's important because that they're considered an active partner. They're not passive.

That's an important thing but what it does do is it gives that entity, that LLC, to go and be a passive investor in a syndicate, for example. But the members of the LLC are active and business owners of that LLC, they make a decision to go participate in syndicate, let's say, where that LLC, that entity, is a passive investor in that arrangement.

Anyway, that's kind of the end in mind and by the way, you know, you form your LLC and get your EIN, we help you open up a business bank account, all online, so now you're operating and have a business bank account, and you can actually link your external business accounts to do easy capital calls, right? Even on a monthly manageable way, that's a little bit of the solution. Now, you mentioned who and how and that's a real important question.

We start with people you know, like, and trust. It's funny, almost as long as we've been told, stranger equals danger, we've been told, you know, don't invest with friends and family, but Whitney, you've been around long enough to know that – and successful enough, that most successful business owners, most successful owners will tell you the opposite. They'll say, do business with people you know, like, and trust. That's where Tribevest really comes in, we help you eliminate some of that uncomfortableness that comes with starting a business with a friend or a family.

We do that due diligence, so making sure that each partner is vetted, that they can be in a position to participate in such a venture. All that stuff falls on Tribevest, and then the tribe can just focus on the fun, and finding the right deal, and getting business done. But the answer is, you know, find people you know like and trust and that have the same world view and similar world views and aspirations that you do, and by the way, are in a similar position financially, that's also really important qualifier.

**[0:12:24.8] WS:** Does each tribe member need to have an equal share or will somebody have a majority share or is that up in the air? How does that normally work out?

**[0:12:32.6] TS:** Most of our tribes set it up where everybody has an equal share and contribution. That being said, again, we're just a platform and if there's a biggest value that Tribevest brings to this market and everything else, we're just a neutral third party. These tribes come on and what they make on our platform is up to them.

Meaning, you know, they can have an operating agreement that's completely customized and configured to their application, and to their business, and to their investment, to their tribe. But most of our tribes are saying, "Hey, let's all come in together and do a deal." But there is that opportunity to put into the operating agreement a sweat equity deal, so if someone's taking the lead on whatever it is, that might be negotiated upfront. Then there's also – and we're seeing this a lot with generational investors, so tribe investing is a great way for an older generation to bring on their younger generation and teaching them how to invest in real estate.

A lot of those cases, the older, more mature member is in a better position to put more capital in. Our platform manages that for them. They can set it up however they want and then they can see their cap table of how much share and equity they have in the business.

**[0:13:58.8] WS:** So, will each entity then or tribe, will they have a new tribe or entity per investment or per deal or will it be numerous, or they just kind of hire whoever they want to structure it?

**[0:14:11.0] TS:** Yeah, great question. A lot of them if they are in complete lock step, and it is a very tight tribe, you know they will go ahead and use the same LLC for multiple deals, and then some of them they will form kind of an umbrella deal, an umbrella entity, and then they'll do a serial LLC, which is unique to Delaware. So Delaware gives you the ability to do these serial LLC's, where you can do many LLC's all underneath the same umbrella. That is a common approach as well. But a lot of flexibility out there not just on our dashboard but just in terms of options, in terms of how you want to put together your business.

**[0:14:54.3] WS:** Do you know the rate of success of people investing through a tribe and their success of investing?

**[0:15:01.4] TS:** Yeah, it is actually quantifiable. You know there is actually, you know you can actually figure it out that you increase your chances of success in your returns through collaboration. There's all sorts of factors that go into that, but one of them is, you know, you get skin in the game, right? By just putting skin in the game, you increase your chances of a successful outcome, and getting into a tribe certainly does that.

I mean you think about I could tell you tomorrow I am going to go to the gym at 5:30 in the morning to work out and I may or may not go, right? But if I say I am going to meet you at 5:30 and we are going to go to the gym, I'll be there right? Because I have made that social commitment, that contract with you to be at that gym. So you know this is a little bit different way of measuring of why a tribe increases your chances of success.

A lot of people think, "Well, what's the return," and everything else. Really that is just finance, you know, you are going to get your share of the deal and, depending on the return, you're going to get – that's the return you'll get depending on how much of the tribe you're with or that you are a member of. But the real increase of success is this committing to each other, putting skin on the game and, of course, you expand your network.

You know, I might only be able to find two or three deals on my own and my own personal network, but I bring in another two or three people and they have another whole network out there. All of a sudden, instead of looking at two or three deals, I am looking at six or seven different deals to choose from. Collectively, together, we can vet those deals and make an investment in the ones that are best. So again, increasing our odds of success.

**[0:17:00.6] WS:** How often are one investor a part of numerous tribes and how many?

**[0:17:07.1] TS:** Right, you know about 20% of all of our members are a part of multiple tribes. So we have, the what we call our founders, right? The founder comes in and we'll start a tribe, and then that founder will go and do a number, found another tribe and another tribe. Those are kind of the serial Tribevest – serial entrepreneurs, I guess. Then, you know, what's been really exciting to see is somebody that probably wouldn't have led a tribe who came in as a member and was invited in as a member of another tribe, and had a great success.

What they'll do is they'll say, "Hey, I am doing that with my college buddies but I want to go do this my family, or my high school buddies, or my neighbors, or my colleagues," or wherever else, and we all have those different social networks. If we are fortunate enough, more than one of them are good candidates to be investing together.

**[0:18:13.3] WS:** Travis, what is the hardest part about investing through a tribe?

**[0:18:16.2] TS:** You know, the hardest part is really the problem that we are solving, you know? There is just any kind of maybe simple business process gets complicated and compounded by the number of people in your tribe. There is a little bit of this, "Hey, if you want to go fast, go alone, and if you want to go far, go together." Just recognizing that there are these different dynamics that come with investing together, but again, Tribevest provides the technology and the tools that make it super easy to collaborate. It provides all the transparency. They take care of the due diligence and the vetting of each member.

So, all of those things that you had to do on your own before, and maybe won't do because there was this awkward and, you know, you didn't want to ask your friend for whatever it might be or what about the what ifs, right? Or how are you going to exit? Well, what if someone gets a divorce or something worse? So all of those things prevent people from either going forward with the tribe, or prevent them from going forward to do it correctly, which is worse. Tribevest make sure that you check all of those boxes. It will get in place like that neutral third party that makes that super easy. I will just say you think about just, however many years ago, that it just sounds as crazy as can be to go jump in the backseat of a stranger's car to get a ride, right?

When you think about pre-Uber or Airbnb and now we like, "Well, what did we do before Uber?" Or, "How do we book a house and stay on our vacations before Airbnb?" It was really the technology that vetted those two parties to come together and ultimately transact together. That is a lot of what Tribevest is doing. Tribevest is making it possible for friends and family and people you know, like and trust to come together and make sure your relationships, which are the most valuable part, most valuable thing you can have, are protected and enhanced.

**[0:20:43.8] WS:** What's a way you've recently improved your business Travis that we could apply to ours?



**[0:20:48.9] TS:** Yeah, great question. You know ,we're really focused on scaling right now and helping our partners scale or our tribes scale their business. You know probably the biggest thing that's been successful for us is just putting ourselves in a position to do repeatable things, finding our niche, being an expert, knowing that whatever that piece is better than anybody else in the world. For us, it is understanding the dynamics of a group.

Not only just the power of the group, and the power of the tribe, but also all the challenges that come with it. By being an expert in that niche, we're attracting a lot of people that are wanting to do business as a group. So, I think just focus on a niche, you know, a lot of our tribes have developed their own niches and are killing it as a result.

**[0:21:48.5] WS:** What's been a way you're meeting those new tribe members or scaling like that? How are you just developing those relationships?

**[0:21:55.5] TS:** Right, you know a lot of it is through referral, which is – we're so blessed to have that as part of our business, but the other is just content. You know it is a matter of getting the good word out there. I think a lot of the people think about Tribevest for the first time and they kind of get angry. They're like, "Why haven't I been doing this?" And of course, there is a reason why you haven't been doing this because it is more difficult than you think at first glance.

But now there is technology to do it, but to answer your question, it is about educating. You know you are one of the best in the world at it. You know just getting the message out there and the voice out there, bringing in other experts, collaborating, and we are trying to do a better job at that.

**[0:22:40.7] WS:** What's the number one thing that's contributed to your success?

**[0:22:43.7] TS:** You know on a personal level, I always credit my passion, my resilience is just so key, but I think a lot of the ways I channel that or harness it is through meditation and prayer. I dedicate a good part of my morning to just silencing, and going to a place of meditation, and becoming aware of everything around me.

I think that is the one thing that if people ask me what will work for everybody? I think that works for everybody, but it changed my life when I made the commitment to make that a part of my routine.

**[0:23:26.0] WS:** And how do you like to give back?

**[0:23:27.8] TS:** Gosh, I feel like right now, Tribevest is really consuming almost everything I have, which is – I am not complaining at all. I am the luckiest guy in the world, and we are just having a blast, but I do feel like we are giving back. I mean we see a world where we're building a whole new ownership class. A big part of this population doesn't know what ownership means. They don't know what it feels like. Maybe they have their own residence, but beyond that, to actually own a part of an investor tribe business, to take ownership in different syndications out there, to participate in real estate, it changes people's worlds, and it is very freeing.

When I experienced that firsthand it was an aha moment for me. I want to bring that feeling of freedom and security to as many people in the world as possible. I am super giving it everything I have to make Tribevest the best platform out there.

**[0:24:39.2] WS:** Travis, I am grateful for your time, and you are just opening our eyes really to what you have created, but I mean just the power of a tribe and what happens when you unite with some other likeminded individuals, or maybe you know, like and trust, right? You know, whether they are family or not but it is people that you can do bigger things together and so just grateful for how you just open our eyes to that and I know a lot of people be looking at Tribevest to see what that is.

Maybe if that is a good fit for them or not, tell them how they can get in touch with you and learn more about you?

**[0:25:11.5] TS:** Absolutely. Please, head to our website. It is [tribeinvest.com](http://tribeinvest.com), that's [tribeinvest.com](http://tribeinvest.com) and we just offer this to any listeners out there that are curious. We would like to offer our concierge service. So by the way the platform is free to a certain point. So you can come in, you can start pulling capital, you can even start to form your operating agreement and your bylaws

all for free. So don't hesitate to come check it out and start collaborating with your tribe to see if this is a good fit and that is again, all in the platform.

But if you would like, we would love to offer you a live demo and answer any and all of your questions. If you just reference the show and you can even go through the Tribevest contact sheet or there is a chat feature and if you mention my name, Travis, or Whitney's, or this show, we'll hook you up with that and would love to help you out as much as possible, but go to [tribeinvest.com](http://tribeinvest.com). That is the place to find us.

**[0:26:20.6] WS:** Awesome, that's a wrap Travis. Thank you very much.

[END OF INTERVIEW]

**[0:26:24.4] 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.

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[OUTRO]

**[0:27:04.4] 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](http://www.LifeBridgeCapital.com) for free material and videos to further your success.

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