EPISODE 1561

[INTRODUCTION]

Whitney Sewell (WS): This is your Daily Real Estate Syndication Show and I'm your host, Whitney Sewell. Today we've packed a number of shows together to give you some highlights. I know you're gonna enjoy this show. Thank you for being with us today!

[INTERVIEW]

WS: We have a couple of guests that you've probably heard of them. I hope you have. If you haven't, you need to look them up, especially if you're getting into this business, the syndication business. But it's Annie Dickerson and Julie Lamb. Thank you both for being on the show today, ladies.

Julie Lamb (JL): Thanks so much for having us.

WS: I'm looking forward to this conversation. They are helping lots of people learn how to raise capital and learning how to even invest passively correctly. I've seen some of their content personally and highly recommend you check them out, but Julie and Annie are the cofounders and managing partners of Goodegg Investments, a company that helps people learn about in investing real estate syndications.

To date, Goodegg Investments has co-syndicated over $400 million of real estate assets and multifamily, self-storage, and manufactured home parks. Julie and Annie have recently launched a new online course, Capital Raiser Academy, which helps people who want to learn how to raise capital for syndications or who want to take their capital-raising business to the next level.

So, ladies, thank you again for your time today, and this is such a relevant topic. I mean, so many people are trying to do this and get into this business by raising capital. So I'd love for one of you or both of you to elaborate a little bit on maybe why you all started this program and what it's going to do for somebody that's trying to get in the business.

JL: Yeah.

Annie Dickerson (AD): Yeah, sure. I think many new syndicators fall into this trap of focusing on acquisitions. They go out there, and they learn how to underwrite, and they make all those broker connections, and they go out and look at these properties, and they find one. They get it

under contract, and then they say, “Okay. Now, what?” “Oh. Now, we have to raise the money. Okay, let’s go out and call everyone we know. Okay, 50,000 here. Okay, we got 25,000 there.”

By that time, it’s too late. They put all those work into finding a good property, which is really hard, especially in today’s market to find a deal that pencils. Then a lot of them sort of fall short or they have to give away a lot of their deal, because then they’re not able to raise the capital in the short amount of time that’s required.

So, the way that we approach it is we have always focused on capital raising first and foremost because it takes a lot of time to get people to plunk down 50,000, $100,000 with you over a period of five years. That takes a lot of trust, and trust doesn’t happen overnight.

So that’s why we always tell people, if you’re getting into syndication, really consider focusing on capital raising first. Build up your investor base, and then you have – The power is in the money, and if you know that you can then raise 500,000 or a million dollars, that gives you a different feeling. You can go in and talk to a broker, and you know that you can bring a million dollars to the table. You know that when you get that deal under contract, you know you can close it. That’s a completely different ballgame.

WS: I love it. So being in this business for a little while now, I mean, I can relate to everything you’re talking about. So many people underestimate the difficulty of raising capital, and I’m talking to people every week. Just like I know you all are. I get these calls every week from people. It’s like, “Okay. How’d you get started raising capital? How’d you get started doing this?” A lot of times, people will say, “I think I can raise a half million dollars.” What I find more times than not is if they say they can raise a half million, they might get 50,000.

AD: That’s right.

JL: Yeah.

WS: So I’d love for you elaborate on some of the systems, some of the processes you’re helping people establish because it’s kind of a lot to take on all at once when you start figuring out just how much work goes into this relationship business, right?

JL: Yeah.

WS: So help us to think through some of the systems you’re going to help people through or to think about when they are going to join either the academy or just that we should be thinking about when we’re going to start raising capital.

JL: So I started raising capital about two years ago for my first deal, and I was one of those people. I thought, "Oh, yeah, I can raise half a million dollars, and this will be really easy." It was hard. All of the folks that you thought were going to invest were the folks who didn't invest. Then all the folks you thought weren't going to invest were the ones who did.

So when I first jumped into it, this was before Annie and I had partnered up together, I don't really know what I was doing. It was more coming from a place of just sharing my story and then hoping that would resonate with people and that they would want to invest. So I did my first deal. I did my second deal. By the time I got to my third deal, I started to understand that there were certain things that I needed to have in place systems-wise because I was spending a ton of time just even trying to get somebody on my calendar only for them to not show up for the call.

So in the academy, it basically takes everything that we've done over the last two years together with Annie and then on my own all of the trial and error, all of the things that we've kind of said, "Okay, this works. This doesn't work." I wake up now. People are on my calendar. I don't do anything. When I do talk to them, they are primed and ready to go.

So everything that we teach in the academy is how do we get an investor onto our calendar and get them to invest in a deal with as much information as possible before they even get to the point of having a conversation with you so that it decreases the amount of simple questions that can otherwise be answered through videos and tutorials and blog posts and things like that.

So the academy is really going to take you from a place of maybe you've already raised some of the capital, maybe you haven't. We're going to basically open up our entire business, which is something that I feel like so many people have asked us about, "Hey, I want to talk to you about your business. How are you doing this? How are you doing that? What systems have worked? What hasn't worked? How are you guys doing this?" So we just open everything up. We share all of the applications that we use that allows us to get an investor from an investor lead to getting them on to our calendar, to getting them to fund. What does that funnel look like? What does that process look like?

So, we teach you all of the systems. We will actually write blog posts for you. I think this is huge value. Before I partnered up with Annie, one of the big problems that I had was not wanting to write blog posts. I'd sit there in front of my computer with my head down, thinking, "Okay, what can I talk about today? How can I talk about it in a way that's engaging and a way that's going to basically persuade and sell?"

So that's another aspect of it is that we're doing done-for-you blog posts. You get Annie and I on the phone. So that's a huge thing. When I was first going through this, I didn't have anyone to talk about capital raising with. I mean, over time, we made connections. But that's the other big piece of this is that there's going to be a mastermind element. So getting to be around other people who want to do what you do or who are already doing what you do.

We already have people in the program right now who have raised a million or more, and they just want to accelerate that. Now, if you can imagine, if you're someone who's a newbie and you're getting to mastermind with somebody who's already raised a million dollars, that in and of itself is a huge value. So I don't know. Those are kind of like some of the highlights. Annie, is there anything else that you think we should add that we're going to cover there?

AD: Yeah. I wanted to add that I think one of the big differentiators between Capital Raiser Academy and some of the other syndication courses out there is that when Julie said we really open up our business, we open it up word for word. We will give you the exact emails that we send out to our investors so that people can just copy and paste if they want, or they can modify it however they want to and then send it out to their investors. We'll give you the exact funnels that we use, the question that we ask every investor when we talk to them, and every single little thing. They really are little things. But when you add them together, that's what makes the business.

So I think a lot of these other syndication courses are more high-level. They'll teach you the theory behind it. They'll tell you the process. But then it's up to you to go figure out, "Okay. Do I use Mailchimp or do I use ActiveCampaign? When I open up that email, what do I say? How many emails do I send? When do I send the emails? How long should they be?"

Well, we've already figured that out. Like Julie said, we've had a lot of trial and error. We've been very fortunate to be able to do almost 20 deals in just one year. So with every deal, we get to try something new and see what works and what doesn't work. We figured out a system that really does work, and that's what we will be giving to people in the course.

WS: So it is. It's a lot to take on. When you're thinking about, "Oh, wait a minute. How'd you get people just on your account?" You didn't have to talk to them yet, and they're already like on your calendar? Then you talked about priming them. So I'd love for you all to elaborate a little bit. Give us a few tips. Maybe you can share one or two things. I'm not asking you to share your whole company on the podcast, but give us a few things that's helped you to get investors on your calendar without ever talking to them. What's important there?

JL: Yeah. I mean, I think one of the biggest things is the education piece. So if you go to our website, goodegginvestments.com., a little plug there, you can see all of the content that we

have on there. Again, that goes back to – When I first started, I was struggling with like writing blog posts and did not want to get on podcasts. It just wasn't my thing, and Annie was like, "Well, I love being on podcasts, and I love blogging." I'm like, "Great! This is going to be a great partnership."

But I knew that in my business of capital raising prior to meeting Annie that there was a need for that, because I was spending hours some time on the phone with someone, just talking about what is a cap rate, and that's so irrelevant. Why is that irrelevant? You need to understand these kinds of things. So educating them through videos and blog posts before they even get to a call with you is huge. That's one thing. I would say another thing is getting on podcasts. So if you can get on podcasts and you can start talking about what you do, I would say that's another huge value-add, because then you're actually getting to know people while you're sleeping.

So we've been on, I don't even know, a ton of podcasts at this point. It was very interesting because as we started getting more on to more podcasts when I would hop on the phone with people, what used to take me an hour and a half now takes me 15, 20 minutes because all of their questions have been answered through blog posts and videos. The relationship was built already. They feel like they almost know me, which was a little bit unusual for me. When I first jumped on the phone with people, they were like, "Oh, I remember that one story about something." I was like, "Oh, did I share that part of my story?"

So it really builds that trust. Like Annie said, it's about that trust element. How do you – No one's just going to hand over $50,000 if they don't know you. So what are different ways that people can get to know you? I think talking in blog posts, talking on a video, and getting on podcasts are excellent ways to build that trust with people before they even hop on a call with you.

By the time they're talking to you, I have some folks who are already – They're like, "I'm ready." I'm like, "Well, I need to know more about you. This is what the purpose of the call is about. You know a lot about me, which is the goal, but I need to now learn more about you," which is perfect because now on the call, we can spend the whole time talking about them and what their goals are, which is how the investor call should go. So it shouldn't be an opportunity to just talk about yourself. It should be the opportunity for you to get to know them.

So I don't know. Those are a couple of things. Annie, is there anything else that I might have missed there?

WS: I can relate to that personally as a couple of calls recently, I've had investors. We get to the end of the call and they're like, "Well, I didn't let you talk at all." But that's okay. I feel like I already know you anyway.

JL: Right.

WS: So I agree completely about the educational component. So the listener, a lot of them are not ready to be interviewed on a podcast. They're too nervous about that. But what are some ways that they can educate their group of people that they know or, at least, to get that started maybe at a much more elementary level even? But something to help them get started, at least, get this ball rolling. They aren't ready to be interviewed, but how can they educate their people without being interviewed?

AD: Yeah. I'm so glad you asked, because that's what I was going to add is, first, you have to know who those people are. I think so many people skip over this step. They just think, "Well, anybody who has money, that's my target audience." No, you have to think about who within that group you're trying to focus on.

So, for example, with us, if you go to our website, you look at our blog posts. It's written in a very basic language, so then anybody can understand. There are lots of photos of family and flowers and very organic things. That's the feel that we wanted to create, because our target market are working moms. We wanted to help them get into real estate to create passive income for their families.

So a high-level engineer who's very busy might look at our website and say, "This is not for me," and that's fine. That is 100% fine, and I think that's the first step is figure out who you're trying to help and then think about those people. When we think about working moms, we're thinking, "Okay. They're busy, they're thinking about their families, and they don't have a good command over their finances." So that's where they are. So let's think then about, "Okay. What do they need to get from where they are to being able to invest in syndication?"

So they probably need to know what an accredited investor is. Let's write something about that. They probably don't even know what the syndications are. It's a big word. Let's define that for them in a language that they can understand, and let's connect to real estate investing to the goals that they have for their life and their family. So once you have that person in mind, you can start to think about all the things that that person needs to get from where they are to being able to invest with you.

JL: Yeah. One thing I want to add to that, I think that's super important, but I think to follow through all the way to the end of your question, I think a good way for people to start off is to

figure out your target market, just like Annie said. Then find small ways and maybe some Facebook groups to add some value.

That was the first way that I got started. I didn't blog. I didn't video. I didn't podcast. I didn't do any of that, and I just went into a Facebook group for mothers. A mom would ask something about, "I'm looking at going back to work. I just had a baby three months ago. I don't want to go back to work. I'm looking at alternative opportunities out there." I would just chime in, and I would just spend a minute or two and write a one-liner about my experience as a working mom, committing two hours a day and not wanting to go back to work and all that.

The answers that I found and the solutions that I found through passive investing. Then my Facebook Messenger inbox would blow up, and people would want to know more about that. I think that's a very easy, quick, small way that you can add value to somebody's life and put yourself a little bit up in a place where you are perceived as an expert without having to spend two hours writing a blog post. So I think that's another good way too.

[INTERVIEW 2]

WS: Our guest is Ken Sheppard. Thanks for being on the show, Ken.

Ken Sheppard (KS): You're welcome, and welcome to you as well.

WS: Thank you. Just from getting to talk to you a little bit, I know you're going to bring a lot of value to these listeners. You have lots of expertise and experience that we need to learn from. So, I appreciate your time and in being willing to share.

But a little about Ken. He's been in the creative financing business where their core asset is generally real estate, entertainment, communication of any kind, energy, sports, tax credit, or other asset components. He created a strategic partnership where he can act as a principal note receiver of debt and cash flow with a $1 million fund. Asset in funding the entire capital stack and structuring strategic partnerships. So, through a licensed escrow title party, he provided soft proof of funds for up to $500 million. I hope I said that right. $500 million, Ken.

So, Ken, thank you so much again. I'd love to hear a little more about your story. I know the listeners would like to get to know you a little bit if they haven't heard of you before, and then let's dive in.

KS: Good. So, the fund is actually a hundred million I think that you mentioned before. The 500 million proof of funds, we did do that. We did this stock proof of funds through a lawyer. Not a

bank statement. We found that lawyers' letters mean as much as any bank statement for the purpose of giving people capital, evidence, and comfort.

I've been involved in finance since the early '70s. I started in the entertainment industry, William Morris, CBS/Fox, Warner Bros. Eventually, I got into producing, and executive producing. Then where I really hit our stride was buying distribution contracts, which are act kind of like purchase orders, and funding those, producing those, and then turning them in the studio, and getting the monies back. It came – We did really well with that.

Then the early '90s, we shifted into commercial mortgage-backed securities with folks there like some of the biggest hedge funds and firms on Wall Street. I put a bunch of capital together for them and started training on their brand, as well as ours through syndications. We still do that to this day. We had to restructure quite a bit of that in the early 2000s due to the market change. Then we started doing a lot of stuff in entertainment again. That was structured, and securitized like a loan against a deferred compensation for an NBA basketball player and things like that.

We closed close to 200 million in deals. That's on our website. I think there's 180 million up there and a lot in the process that's into the 500 million area or more. That's just moving through our machinery. And we do things throughout the capital stack, as you said, that equity mezzanine, structure financings, loans, partners, partnerships, whatever makes sense to help four things happen: create jobs, feed families, fund companies, create a family legacy. Out of all those things comes revenue. I think if you think of revenue first, it's not as a productive way to look at life.

WS: No. That's very interesting. You've had an amazing career, a long career in this business. I'm looking forward to this conversation. Just before the show, we were talking about just the ability to raise equity or find equity, find capital. You had some unique ways of doing that. Just you started sharing. That's impressive. You were elaborating on how a debt is not as challenging if we have the capital. So, I'd love for you to elaborate on that, and then let us dive into some of your techniques in doing that.

KS: Well, everybody – The biggest hole in the industry seems to be the equity. People come to us all the time. They say, "We have the debt. We want you to do the equity." We're only going to do the equity if we do the debt. I'm not going to be the equity guy and let them have the easy piece. It doesn't make sense. You're handing a check for how many of millions to a broker for a deal that you raise the equity for that drove their debt. So we want to do the debt or release as long as we're equal to or better than what's on the table, which we always are, because we know the marketplace pretty well after doing it this many years and have a lot of

relationships all over the place, specifically in the family office space, high-net-worth, people like that.

I always try and come up with ways that other people don't think of, to locate things. Capital is found where wealthy people go. Right? When I was younger, I made it a practice of going to the more expensive golf courses that I could find, making friends with the bartender, if I could get in, if it wasn't membership-driven, and then having them tell me who's doing what, why, when, and where. And say, "Look. If I put some together, can I pay you a referral fee?" Of course, they say yes. Then as long as it's legal, which it generally is, as long as they can clear it. And we've done a number of deals through that mechanism of meeting people through other people.

Networking is I think really important. So, golf courses, high-end golf courses as best as you can get, high-end conferences about real estate investment, things of that nature that occur all over this country. You can certainly find conferences in any area of the country throughout the year. I think networking on the Internet, using LinkedIn and places like that is really powerful. And then we have a radio show, which drives a lot of traffic back to us, which is about making money in real estate when you have no money, and I'll talk more about that when you're open to hearing more.

WS: Yeah. We're always open to hearing more about that. But a little about what you said there, finding capital where wealthy people go. You mentioned even before we talked like just going if there's a conference there that maybe you're not even a part of, but you're sitting there at the bar. You're sitting there, and we were talking about how if you're dressed the part and you know how to talk some of the talk, people will listen. Or striking up that conversation and starting that networking, starting that relationship right there and being where these people are. Can you elaborate on that? Then we'll move on your other point.

KS: Of course. So, one of the things I do, and still to this day when I have the time is going to conferences and looking for the people with the badges that are at those conferences that are directly tied into what we do in real estate and investment finance. I think you do have to look the part. Most of those people are very nicely dressed in suits or pretty gals in dresses and things like that.

But I just think you have to present well. I mean, this is an environment like going to a high-level conference. I think if you don't have the right kind of clothes, find somebody that does. They can lend it to you for an hour. Put them on, go sit down there, and just sit at the bar. You can order a soda for a couple of dollars. You can order water even sometimes, and just strike up a conversation with people that are sitting at the bar, say, or something about them like if you like

the color of their shirt, whatever it might be, something to break the ice, I think that's a really good way to start.

And remember, like I said to you before, the most important thing is capital is looking for the places to go way more than people that are looking for capital that – What I'm saying – Let me say it in a different way. The people looking for the capital, there is not anywhere near as many of them as there are the people that are looking to place the capital. Capital is in the trillions. You just have to find it. If you hit the criteria of what they want to do, they write the checks.

WS: That's a great point that whichever listener would just think about for a minute what Ken just said that it's in the trillions, and there's a lot more capital or people with capital looking for places to invest and put it than people that are looking for it.

I hear all the time – I get calls every weekend numerous times of how do we get started raising capital, how do we meet those investors, how does that – How do we get started doing that? It seems so difficult in the very beginning. But it's awesome to hear that statement you just made.

KS: Sure. Thank you.

WS: All right. So, moving forward, get us started with what you just mentioned a minute ago.

KS: Well, I was just saying that when you – Well, we're talking about when you go to these kinds of places, just dress the part. If you go to a golf course, you don't have to wear a suit. You can just dress in a polo shirt and slacks. If you go into a conference and everybody is dressed in a suit and tie, which most of the time they're going to be because they're lawyers and accountants and investment bankers and the people from Wall Street and such like that, they're going to be dressed the way I'm dressed now. And you're going to find that if you dressed that way, they'll respond to you.

Like I said, you can always find something easy to break the ice on. The color of somebody's shirt, the color of a lady's dress. Something that's simple that kind of gets them saying, "Oh, wow! That's interesting that you –" I have people that come up to me sometimes. Just when I'm sitting in a place and I'm on a conference and I'm on the other side, I've had people go up to me and say, "That's a really nice this or really nice that," or whatever and, "I know you from somebody else." Always make sure you have plenty of business cards as well. I think those are really important. They could be the little ones. You can put a package together for 500 or for like $10 or something.

WS: I know some people that are listening are saying, "Well, can I – I don't have any experience, and so I'm a little bit nervous about getting into that conversation." I mean, I remember when I first started having some of those conversations like you. You're wondering, "What are we going to talk about when they say, 'Well, tell me about the deals you've done.'" If they haven't done one yet, what do you advise when someone's getting started just in some of those first conversations and they're a little nervous about getting that question about, "Well, tell me about your track record or tell me whatever you've done," but they haven't really done a large deal yet or syndicated a deal anyway.

KS: Sure. So, there are lots and lots of people that have already done that. That if you go to them and you speak to them and say, "Look. I'm going to be going here and there and otherwise. Would you like to be a part of that package?" Then all of a sudden, you've got a brand with you. You can do that at lots of investment banks, lots of Wall Street firms, and smaller firms as well.

So, when you go into these environments, you say, "I have relationships with people that are part of my investment group." You can have that at a very loose term investment. I have people that I'm working on that have done a lot of business. I'm happy to introduce you to them if you'd like me to. Of course, you want an NCND [inaudible] non-circumvention nondisclosure agreement to do that, which is really simple to do. But it's a very easy thing to do as you know.

But you want to do that if you're going to put them together because you want to protect the fact that you're going to get compensated if you put them together, because you got two very sophisticated people and you're not so sophisticated. You might find yourself in not such a great position in that, and you might be unhappy.

So, in order to avoid that, you do the NCND, non-circ, nondisclosure agreement. You do it always with the people who are receiving the capital. So, if nobody is receiving the capital in this situation, I would try and get it from the company that you're bringing to the party that wants to be a part of the brand that you're building. And I've done that a lot.

WS: Well, maybe you could talk about the branding a little better or what that should look like when we're trying to raise capital. Or can you speak to the branding side of the business?

KS: Yes, sure. Well, a brand is always about recognition and value, and that comes from just people knowing who you are. Getting on platforms like LinkedIn where we're tied in with like 19,000 different people. Now, it doesn't mean you're going to do business with all of them. But if your name keeps appearing all over LinkedIn, people are going to say, "Who's this guy on LinkedIn?" Then they may come and look at your LinkedIn, and then they would give you a message that they want to talk to you. I think that's much more appropriate than reaching out

to people that you don't know on LinkedIn and trying to build those relationships because I just haven't found that to be productive.

But the other way where you brand yourself is really important. I think that's all about what's the name of your company. Your vision statement is really important, what you're planning. Like I say, create jobs, feed families, fund companies, and create a family legacy in order to create revenue and wealth. That rings true with everybody at every layer of society from the highest to the not-so-high everywhere in the world because that's the whole thing that we're all trying to do is to help each other do better.

[END OF INTERVIEW]

[OUTRO]

Whitney Sewell: Thank you for being with us again today. I hope that you have learned a lot from the show. Don't forget to like and subscribe. I hope you're telling your friends about Real Estate Syndication Show and how they can also build wealth in real estate. You can also go to LifeBridgeCapital.com and start investing today.

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