

THE GURU MANIFESTO:

How to Avoid Real Estate Education Ripoffs and Learn
What You Need to Know to Make Millions in the Most
Proven Investment in America Today

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Warning: This report contains graphic descriptions of the ways in which you've probably been ripped off by the real estate education industry and some mildly coarse language. Enter with care.

Who I Am and Why I Have Any Right to Be Saying This Stuff

My name is Vena Jones-Cox, and I'm a real estate investor.

I know, I know, it sounds like the opening to a Real Estate Investor's Anonymous meeting. And I admit, I AM addicted to real estate: for 2 decades, it's allowed me to live well, control my own time, work from home, and indulge in a very expensive travel habit.

And there's absolutely no question in my mind that real estate education—those seminars, homestudy courses, and bootcamps about which I'll be commenting in this special report—have been a big key to my success. In fact, they're a big key to the success of EVERY wealthy real estate investor, including you.

Your path from “wannabe” to property mogul will be greatly eased when you invest the time and money it takes to learn from people who've already walked the path; who've made the expensive mistakes and developed the techniques for finding, negotiating, financing, and making money from deals; who have the ability and commitment to teach you to do the same.

And therein lies the conundrum. Just because a particular “guru” declares himself to be an expert, and writes a course, and dares to sell it for \$2,500, doesn't make him someone that you should invest with, depend on, or follow.

There has, in fact, been a veritable explosion of self-proclaimed experts selling expensive (and largely useless) education to aspiring investors in the past 5 years. Some of these people have literally never done a real estate deal in their lives (one is a radio talk show host who admitted to a friend of mine that he had only bought one property—his own home—and created his “course” based on research he'd done on the internet); others have the expertise but are just awful at conveying it; still others are teaching investing strategies that border on the illegal and have long since crossed the line into the unethical.

So why do these people—the inexperienced, the incompetent, and the downright wrong—hit the road (or the web) and make a career of selling “information products” about an industry they don't really understand or care about?

Because, not to put too fine a point on it, they don't care about YOUR pocketbook or success—they only care about their own. It's sad. In fact, I'd go so far as to say it's scummy. But it's also true. In my humble opinion, they'd build a stronger following of people more able to

afford the next course, and the next, and the next, if they'd actually bother to give good information that you could use to make some money in real estate...but maybe that's just me.

For a skilled salesperson, there's a LOT of money to be made selling real estate education I'm talking millions of dollars a year. I'm talking private jet, private island money. And, in the excitement that the audience feels following the "get right quick" pitch, it doesn't really matter whether what's being sold is good, bad, or indifferent. Slick pitches sell. Period.

And let me say for the first of many times—some of them deserve what they earn. A guru who actually delivers on his promise of workable, quality education that puts you in the driver's seat of your own life SHOULD be financially rewarded for financially rewarding others.

Unfortunately, it tends to be the case that the experts with the most knowledge are the least willing to say stuff that causes you to whip out your credit card and ring up a 4- or 5-figure charge for the latest and greatest training.

Those of us who actually KNOW the real estate business choke on phrases like, "get rich quick" and "no work required" and "done for you"—because we know that, like any business, real estate investing IS work (albeit highly rewarded, as measured in both money and satisfaction). We can't tell you that our courses will do what needs to be done "for" you (no one can, and not be a bald-faced liar). And, unfortunately, it's that kind of "so easy you can do it in your sleep" pitch that most appeals to people that have no frame of reference for what the real estate investment—and education—world is really all about.

My purpose with this e-book is to give you that frame of reference that will let you invest in education wisely, whether it's with me or with one of the dozens of really good, really experienced gurus out there. More importantly, it's to help you avoid the hundreds more who will take your money and leave you no more able to do smart, profitable deals than you were BEFORE you maxed out your credit cards buying their "education".

And why am I more qualified to do this than your average investor/educator?

First of all, because I'm willing to speak up. I've had the conversation about the "bad guys" with a score of the "good guys" (and gals) dozens of times—but most of them are unwilling to break the unspoken agreement in the real estate education industry that says, "never

“speak ill of your fellow instructors, because it hurts us all”. (Don’t believe this agreement exists? Next time you sit in on a panel discussion between gurus, ask the question, “Which of the other presenter’s courses would you NOT buy, because you don’t think it’s workable or complete or well-written?” The answer from everyone on the panel will invariably be, “There are NONE I wouldn’t buy, because they’re all great, and you should get them all, especially mine!”)

Secondly, I have unique access to both the gurus and their products. I promote several large “multi-speaker” events each year, and I review each and every course from each and every guru who wants to present at them. As a result, I read, listen to, or attend somewhere in the neighborhood of 2 dozen courses annually. I have also hosted a real estate investing radio show for more than 12 years (you can listen to it at 5 p.m. EST on Wednesdays at www.WMKVFM.org or download archived shows or subscribe to the podcast at www.REGoddess.com), and interviewed hundreds of local, regional, and national experts on the air.

With 20 year’s experience, I have a keen eye for B.S., for vagueness, for incomplete strategy, for borderline-illegal information, and for “education” that was clearly thrown together to generate some income for the guru rather than carefully thought-out and presented for the purpose of generating income for you.

Finally—and you have no idea how incredibly immodest it feels to me to say this about myself—I actually care about the real estate investment industry in general your success as a real estate investor in specific.

Unlike many of the gurus out there, I have served literally thousands of hours in volunteer positions for the purpose of advancing real estate education, working against anti-investor legislation, and helping local non-profit real estate association grow and educate their membership. I’ve served as president of Cincinnati REIA, Ohio REIA, and the National Real Estate Investor’s Association—all unpaid, thankless, pain-in-the-butt positions—because I want my business to be populated by wise, ethical, successful people who love real estate as much as I do. Similarly, the above-mentioned radio show—which airs on non-commercial public radio—is a labor of love that in no way helps me buy or sell houses or courses, and for which I am not compensated.

So what I want you to get from this report is very simply a frame of reference that will let you understand what the real estate education industry is all about. I’d like to help you avoid being one of the millions of people who’ve been sucked in by the bad-guy gurus, and give you a sense of how to recognize them. I’d like to give you a “radar” that will let

you weed out the empty promises and, instead, become one of the millions of Americans, like me, who've taken advantage of some of the great education out there to become financially independent through real estate investing.

Happy Investing!

Vena

A Brief History of Real Estate Education¹

Something really interesting has happened to the real estate education industry over the past three decades.

If you're brand new to the whole real estate world, you may not have experienced what I'm about to tell you, and I hope that this e-book gives you, among other things, the ability to critically examine the courses and seminars available to you and choose them wisely.

Unfortunately, you may have already been a victim of the system I'm going to describe. In this case, try to put it behind you, and know that when you're finished reading this, you'll be a wiser consumer who won't fall prey to the charlatans you've been dealing with up until now.

So here's the thing: prior to the 1970s, the way we learned about real estate investing was by doing it. Yes, there were books available on the topic—the most famous being Bill Nickerson's iconic *How I Turned \$1,000 into \$1 Million in Real Estate in My Spare Time*—but beyond such “on the bookshelves” guides, we were pretty much left to sink or swim by ourselves. There was no such thing as a live course or even a real estate association for support or more detailed information, and colleges did not teach residential real estate investing classes the way they often do now.

In the late 70s and early 80s, a new form of education appeared: the **multi-day seminar**. Pioneered by Al Lowry (using Bill Nickerson's materials) and Robert Allen among a host of lesser-known names, these traveling shows were sold via full-page newspaper ads and held in hotel rooms in cities across the U.S.

Much more detailed and interactive than a mere book, these seminars became incredibly popular. And given that interest rates on home loans at the time were in the double digits, the instruction about creative buying filled a need that was not being met in other ways. As a result, these classes often drew 300-400 students at \$499 each—and remember, that was in 1980 dollars!

This trend spawned two others—first, real estate investment associations, made up of graduates of the traveling seminars, popped up all over the country. These associations (variously called REIAs, property owners associations, landlord association, and so on) provided a forum in which people who were actively pursuing real estate as an investment could meet, network, negotiate group discounts on products and services, secure local experts to discuss topics like how to navigate the local courthouse, and so on. In the 80's, most associations were

¹ This is background information; if you're looking for the rabid rant, you can skip down a few pages.

non-profits run by volunteers, which added to their credibility², as the directors made no money personally from the education promoted at the meeting.

The second trend, of course, was the explosion of local, regional, and national seminars of varying content and quality. Suddenly, instead of a handful of instructors and events, there were dozens, all claiming to have the best, most detailed information.

There are two things that are important to understand about this era—which lasted until the early 90’s—versus the real estate education world of today.

First, **there was an assumption by both the students and the instructors that the education being delivered would be detailed enough to allow the attendee to actually buy and profit from real estate**, without additional expenditure on courses, seminars, mentoring and coaching programs, and so on.³ The classes tended to be general in that they taught the important basic skills of appraisal, negotiation, finance, management, and disposition of property—in other words, skills that every investor needs to buy every kind of property in every part of the country in every upturn and downturn.

Yes, other, more narrowly-focused courses were also available at the time—classes specifically designed to discuss owner financing, or tax savings, or rental management in more detail than the intentionally-general beginner’s classes. But these seminars were NOT pitched to newbies, because they were intended for the more experienced (or at least more educated) investor. Nor were they the expensive “bootcamps” available today—they were modestly priced and modestly attended.

Second, the REIA groups provided an important safety net to keep their members from investing in a course that was not worth the money (remember, \$500 was a LOT more money in 1985 than it is today!). When a new course or instructor appeared on the market, REIA members would simply go to a meeting, ask around, find someone who’d invested in the seminar, and get an unbiased opinion of the value of the training. Any event that wasn’t honest, detailed, and workable didn’t last long, because budding investors would quickly hear that the quality wasn’t there, and stay away in droves.

So until the early 1990s, the typical arc of your real estate education would have looked like this:

1. Attend a 2- or 3-day basic skills seminar.
2. Use the information gleaned there, plus the support of investors in your local

² but sometimes led to chaos in the planning and execution of the meetings!

³ My own father, in fact, bought millions of dollars worth of real estate based primarily on the education he got from the Lowry/Nickerson course in the early 80s.

REIA organization, to make some offers, buy a property or two, and generally get started.

3. Once actively in the market, choose other, more topic-focused events as needed to sharpen your skills and grow your business.

A wise, inexpensive, and conservative way to “get rich slow” in real estate.

Then, in the Early 90s, Everything Started to Change...

In the 70s and 80s, a handful of “gurus” were making a lot of money delivering a generally high quality of real-life education to serious investors who understood that some expenditure on education was a whole lot cheaper than making expensive mistakes diving into a business they—the students—didn’t fully understand.

And whenever there’s a whole lot of money being made, someone will figure out a way to make some more⁴. That’s why the 90s saw an explosion in both the number and kind of real estate seminars and “home study courses” (that’s the manual and audios you buy to learn at home, with no live event attached) on the market.

This time period also ushered in a relatively new concept—the **“dog and pony show.”** These events featured multiple speakers presenting for 1-2 hours with a “pitch” for the speaker’s seminar or homestudy course at the end. Though very useful for vetting a large number of potential speakers and topics in a short period of time, these events were not (and are not) strictly “educational”—after all, how much real information can any expert deliver in 90 minutes?

Nonetheless, “dog and pony shows” were (and are) extremely popular amongst investors, because of their low admission fees (usually less than \$100), their networking opportunities, and their ability to showcase many speakers and strategies in a short period of time.

They were also popular among speakers, because the promoter of the show took on the risk and expense of marketing the events, renting the hotel space, and so on in return for half of the sales of the speakers’ courses.

However, the success of these events had several downsides for speakers: instead of keeping 100% of the profits from courses sold, the speakers kept just half—and still had to pay for travel, course production, and cost of actually fulfilling the live event they’d just sold the promoter’s audience.

What’s more, the “competitive environment” of the dog and pony show (some had up to 30 speakers selling product in a single long weekend) meant that people who were used to being

⁴ And don’t get me wrong, I’m all in favor of making money. Capitalist pig to the core—that’s me.

instructors had to become pitchmen, with very polished, very manipulative sales presentations. The more willing a speaker was to offer a “get rich quick” message, the higher his sales were, and the higher his sales were, the more invitations he got to more platforms from which to sell his product. Those who made the transition were highly in demand among promoters; those that insisted on continuing to try to teach, rather than sell, waited by the phone, awaiting promoter calls that never materialized.

Unfortunately for consumers of real estate investment education, it quickly became clear that the selling of seminars, NOT the delivery of seminars, was the real profit center.

More and more often, the expert with 20 years experience who SOLD you the seminar didn't actually TEACH the seminar—he was replaced by a less-experienced instructor who simply taught the content provided to him. The guru himself was off selling more seminars to more students rather than teaching his own classes or, often, rather than investing in real estate himself.

And thanks to the trend of promoters taking half the profits from the sales at their events, one of the biggest changes in this era was a push by instructors to raise their own profits by creating additional courses that attendees could buy while at the 2-day seminar.

After all, when you do the math (\$499 for the seminar less \$249.50 to the promoter less the cost of producing the manual and CDs less travel costs, meeting room rental, etc), the typical profit margin on one seat in one of these seminars is pretty tiny.

So speakers rushed to create “Bootcamps,” which were, at the time, 3 and 4 day events focused on a single strategy like quick-turning or buying creatively. The shorter, basic-skills seminars became platforms from which to sell the longer, more profitable bootcamps. Once you've spent \$500 with an expert, it's not nearly as difficult to decide to spend another \$2,000 to dig into a strategy that you really like.

And unfortunately, this was sometimes accomplished by leaving out important details in the 2-day event and/or preying on the beginner's natural fear of getting started by hinting (or later, stating outright) that it might be dangerous from the new investor to buy a deal without the additional information.

Now, mind you, I have no problem with the bootcamp concept at all. Longer events have the advantage of allowing learning tools like live calls to sellers, role-playing negotiations, looking at actual properties, and other “hands-on” experiences that simply can't be squeezed into a 2-day event. I attended a number of these events in the early and mid 90s, and most of them were well worth the investment of time and money, because they earned me a lot more than they cost me.

What I DO have a problem with—and you should, too—is what these bootcamps morphed into by the end of the century. Instead of intensive weekends with your experienced guru on a focused topic, they became \$2,000 “opportunities” to be upsold yet again, usually by the speakers guru “friends,” who took up valuable time during the supposedly-educational long weekend to sell you THEIR course or bootcamp.⁵ The question at the back of my mind was always, “*If this bootcamp is supposed to be the be-all and end-all education about topic x, why do I need buddy y’s \$2,000 course to round it out?*”

Nonetheless, as real estate began to boom, these bootcamps filled up month in and month out, turning many of the investor/experts into multi-millionaires who hadn’t done a deal in years. Why bother, when a single weekend bootcamp/salesfest could literally generate half a million dollars in revenue? And HOW does one invest in real estate, when one is “on the road” 250 days a year pitching bootcamps?

So by the end of the decade, your educational career in real estate probably looked more like this:

1. Attend a weekend “dog and pony show”
2. Buy one or more relatively inexpensive 2-3 day classes
3. Be upsold from there to one or more \$2000+ bootcamps
4. Make a deal—the profits from which went entirely to your credit card company, to pay off your education

The Real Estate Boom—All Hell Breaks Loose

After the tech stock crash/recession of 2001, the media turned its attention to real estate as a speculative investment in a big way.

Story after story appeared on the nightly news and in newspapers and magazines around the country of people who had purchased homes, then sold them a year later for a 5-figure profit. Americans dove into real estate in a big way, with scary-high appreciation and scary-easy financing driving the trend.

An unprecedented demand for real estate education developed and, with it, the mass marketing of seminars via TV infomercials and full-page newspaper ads. Huge companies, generally represented by a figurehead guru—set up hundreds of the “free meeting” sales pitches

⁵ Again, I am not critical of all such events. I’ve attended bootcamps that included selling “guest speakers” that were very good, usually because the sellers were limited to early morning, late evening, or bonus days. And if I’m informed in advance of how much time will be taken up by the “upsell,” I can make an intelligent decision about whether or not to attend.

each week in cities across the U.S. it wasn't unusual to find 2 or even 3 of these events at the same hotel on the same weekend in any major metropolitan area.

By this time, these companies were entirely bypassing the REIA system, since **they quickly learned that the members had a better frame of reference than the man on the street, and were far more immune to the “get rich quick” sales pitch that sometimes had attendees literally throwing their credit cards at the sales people to get the “first 10 people only” discount.** In fact, the organizers of these events literally barred representatives of REIA associations from attending, and banned passing out business cards or brochures at their seminars, lest the attendees get a second opinion on the quality of the education being offered.

And even though both the marketing and the pitches themselves were aimed straight at the brand-new investor, the prices just kept rising and rising. The most common funnel was this:

1. You'd attend a “free seminar,” where all you learned was how much money other people had earned by paying \$600-\$1200 for the upcoming 3-day seminar.
2. At the 3-day seminar, you'd learn how the only way to REALLY know what you were doing in real estate was to buy the “package” of 5-10 additional seminars at a cost of—and I'm not exaggerating here—\$40,000-\$70,000. Oh, and (so the pitch went), don't worry about that price: your first few deals would more than cover it, and we'll even give you an exercise IN CLASS to get your credit card limits raised so you can pay for it.

It was at this time that I began hearing from “investors” who'd “invested” 5 figures in their real estate “education,” and had not yet made an offer on a property. Some were in financial trouble due to the size of their expenditures; more than one told me they'd taken a second mortgage on their own home to pay for the classes.

And don't think that the real estate BUST has left the situation any better; the fact that everyone who sells real estate education is fishing in a smaller pond has led to an even more desperate situation. Prices of courses continue to increase, sales pitches get ever-increasingly “pie in the sky” and high-pressure.

What's more, **there's been an explosion of courses and seminars offered by “experts” who have very little actual experience**—instead, they're great internet marketers, or platform speakers, or even reality-show celebrities who know a lot more about how to pitch education than they do about how to profitably buy and sell properties.

So here's what I see today:

1. New investors who are desperate to make money—due to the economy—falling

victim to slick sales pitches for overly-expensive education that doesn't actually teach them enough to do deals.

2. REAL experts who can't sell a quality product because they aren't willing to promise that it takes no work.
3. A real estate education industry that leaves most of its customers broke and cynical.

Get Ready for the “Rant”...

For years now, I've been very restrained in sharing my opinion of the real estate education industry and the precipitous decline in quality and sharp increase in cost of the information available.

Hypocrisy alert: a big part of the reason for this uncharacteristic hesitation to share my opinion on this topic has been a sort of self-serving desire to avoid burning bridges in the “guru community”.

I can guarantee you that the very act of writing this e-book has already made me some enemies. It's undoubtedly going to get me banned from events, webinars, and other opportunities.

Which is unfortunate for my bottom line because, as it happens, I tend to sell a lot of courses to the students of some of the gurus that I'm about to blast. The fact that I actually TEACH and have actually DONE DEALS is such a change of pace to their customers that they tend to flock to the back of the room to buy from me. I am guessing that these words will literally cost me hundreds of thousands of dollars in sales in the next few years, and perhaps a few students who don't agree with me, and will certainly earn me widespread and open criticism from the folks who are doing the things I talk about here.

Another reason for my silence has been a desire to avoid the whole, “*she's just saying this to torpedo her competition*” backlash.

I fully understand that there will be some who view this as a self-serving attempt to draw people away from other instructors and to me—and yes, I happen to think that I provide a higher quality of education (and certainly a higher standard of service) than many of my “competitors”. Otherwise, I'd just retire and be done with it.

But the fact is, there are a double handful of gurus that I really respect, who ARE successful real estate investors with years of experience (rather than successful education salespeople with limited knowledge); who DON'T engage in the despicable practices I'm writing about here; and who I call on all the time for my own education.⁶

So despite all of this, I'm breaking my silence, and here's why: the fact that I am a provider of real estate education does not obviate the fact that I am also a consumer of it. I literally receive and review more than 20 new courses every single year. I learned real estate the same way you are—by depending on people who'd been there first, made all the mistakes, and had a system that worked to guide me. **I love real estate education and the way it can make a real, long-term difference in people's lives. I continue to learn new strategies primarily from other people, because I'm smart enough to know that reinventing the wheel is stupid. Given my extensive experience as a student, I have a pretty good idea of what a quality course looks like and what it doesn't.**

Plus, thanks to my “behind-the-scenes” look at what really goes on at seminars, webinars, bootcamps, etc, I am in a unique position to explain and critique things that you aren't even aware of about the education business.

And frankly, a lot of what I see makes me ill.

If you could overhear the cynical, predatory way in which many gurus talk about their customers...if you were constantly approached by students of these gurus who can't understand why they can't get a return call from the salespeople's office after spending \$4,000 on a bootcamp...if you understood the total focus on “sales per head” as opposed to providing quality product...you'd be as sickened by it all as I am. So *deep breath* here goes.

I believe that real estate education can and should be a wonderful resource. Almost EVERY truly successful investor learns their skills, strategies, and techniques from a real estate salesperson of some sort. When the system works, it REALLY works—ordinary people do, in fact, become financially independent by learning from home study courses, seminars, bootcamps, and classes. It's in all of our best interest that the education system that has developed survives and thrives—but I'm afraid for it. With the recent influx of “experts” who are

⁶ Want me to name names? Here are some—Jack Miller, John Schaub, Pete Fortunato, and Dyches Boddiford on just about anything they teach; John Hyre on taxes and asset protection; Jerry Fink on rehab; Missy McCall-Hammonds on landlording; Wendy Patton on selling on lease/option. Wondering why you haven't heard of many of them? 'Cause they're not slick salespeople with \$10,000 courses, so promoters don't use them!

nothing more than snake oil salesmen, potential students are bound to become cynical and disillusioned with the whole industry—a possible future that can't be allowed to come to pass.

And trust me, I have absolutely no problem with charging for this education. People who've learned the ropes, developed a system, and have the ability and desire to teach others to do the same are amongst my favorite people. When, in addition to being great teachers with great information, they also hone their sales skills to the point where they can also pitch well, I think that they should charge whatever the market will bear to make others rich.

However, I also believe that the education industry has been overrun by vermin.

Yep, vermin. “Gurus” who have done 5 deals using someone else’s system, who then repackage it and present themselves as experts even though they have almost no experience to back it up, who have nothing new to say, who are selling courses that cost thousands of dollars just because they can, should be ashamed of themselves.

I’m talking to you now, vermin: if your most pressing concern is how many dollars per head you can sell instead of how detailed and informative your product is and how useful it is to your students, please get the HELL out of my business.

If you're one of the many “gurus” I meet who can't explain a land contract, or doesn't know what fair housing is, or actually believes that it's OK not to study and grasp your own business, you shouldn't be able to pitch real estate education and sleep at night. I don't care how many people you sucker into buying your garbage. From the point of view of the student who's trying to figure out how to navigate the sometimes-confusing waters of real estate investing, there is NO substitute for experience—LONG TERM experience—and depth of knowledge. If you don't have it, you shouldn't be taking their money.

I don't care how many millions of dollars your last launch made. Yes, you make more money than I do selling courses—I get it. I don't care. You're preying on people's desire to get rich, and you can't back it up with information they can actually use. You tell them what they want to hear from the stage, then give them inadequate information that makes THEM feel like THEY'RE stupid for not being able to generate the big, fat checks you're showing them on the screen.

If you reach deep into your heart and find out that you actually DO care about your students lives and their success, please clean up your act and start teaching like you do. If you find that you don't, please do them the favor of getting a job as a used car salesman.

Back to us students: I believe that you should know the truth about how the money in the real estate education industry works, so that you can be more immune to all the cross-promotion. You know how every week you get 30 emails from 15 different gurus offering you the same course (with different bonuses) and letting you know that you're going to die/fail/lose your hair if you don't buy it?

That's called a joint venture, and here's how it works. Guru "A" contacts all of his guru friends and offers a 50% cut of every course the Guru A sells. Gurus B-Z then send out professionally prepared emails to all of their students personally recommending A's course as the be-all and end-all for your future success. A JV "partner" (that's B thru Z) with a sizable list can stand to make tens of thousands of dollars (plus possible win the "top partner" prizes, which range from Rolexes to Hawaiian vacations) for sending out a few emails to their customers.

Again, I'm a good capitalist. I have no problem with this arrangement on the surface. The problem is, **THE PEOPLE SENDING YOU THESE EMAILS HAVE OFTEN NOT SEEN OR REVIEWED THE COURSE IN QUESTION**, much less checked out the experience or reliability of the author.

Now tell me, if I were to send out an email saying that I had made tons of money with this course, and you needed to get it, too, and I had never even seen the course, wouldn't that make me... a liar? This doesn't seem to bother the people involved in these joint ventures at all, though—probably because the whole system rotates around an inbred group of guys who are ALL selling crap⁷, and who are perfectly happy to rape each other's lists endlessly until the poor customers' dreams are destroyed and/or credit cards get maxed out.

I have had enough experience with these people and enough conversations with the JV "partners" to know that the whole "my friend A has this great course" thing is largely bull. They aren't friends, the JV partner hasn't made any money from the course (other than by selling it, of course!), it's all meant to play on YOUR loyalty to guru B.

Pathetic—and the reason you've never seen a JV email from me. And if you ever do, it will be because I've read and used the course in question and actually believe in it.

⁷ OK, so that's not entirely true. Occasionally, I see one of my colleagues whom I actually respect get sucked up into this maelstrom of sewage, much to their detriment and that of their customers. If one of these good guy gurus ever DID a launch, I'd totally promote it—but I always want to grab them by the scruff of the neck and shake some sense into them when they expose their poor students to the garbage OTHER people are promoting.

Oh, and ditto the financial arrangements in a live event or webinar. While the host is standing at the front of the room raving about how great the next speaker is, you need to think about the fact that 50 cents of every dollar you spend on said speaker's product goes into the pocket of said host, and take all the over-the-top praise with a little grain of salt. Yes, even when the next speaker is me: I've been introduced as "close friend" and even "partner" of people I never laid eyes on as of 10 minutes before going on stage. And I can usually give my presentation anyway, after I throw up just a little in my mouth.

I believe that there are certain terms that, when we hear them come from a guru's mouth, should send us running for the hills. "Virtual Investing" is one. I'm sorry, I know the internet is a powerful tool for finding deals, buyers, and money, but the idea that you're going to sit at your computer all day and make deals on properties you've never seen, then sell them to people you never talk to, is a pipe dream. A CRACK pipe.

Trust me, I get emails on a daily basis from people who've bought into this crap, and my general response is, *"Dear Idiot, the property you're trying to sell me for \$25,000 is one that I offered \$16,000 for a year ago when it HADN'T been sitting vacant for 12 months. And it doesn't need \$3,000 in work as the seller reported to you, it needs \$50,000 in work. And the tax appraisal that you based your ARV on is 2 years old AND was too high even then, because it was based on the illegal flip that sent the seller into foreclosure in the first place. Do not waste my time pitching me on properties you've never seen."*

REAL ESTATE IS A PEOPLE BUSINESS. If you're going to be successful, you have to talk to someone, at some time. If you hate people, buy a course on how to deal with them anyway, not one on how to avoid them.

Oh, yeah, and let me put "turn key" and "done for you" into the same category. Surely we are not so desperate in this country as to believe that "something for nothing". Yes, some INVESTMENTS can be turn key—but no BUSINESS—which is what buying and selling properties is—can be "done for you"! YOU have to do it! And anyone who tells you otherwise either doesn't understand his own business, or just nakedly wants your money and is willing to say anything to get it.

I do NOT believe that a newbie investor needs to pay thousands of dollars to learn to do their first deal. When I started out in the real estate business, there was a general recognition of the fact that 70% of the knowledge base that you needed to be a successful

investor was shared by every strategy. I don't care whether you plan to wholesale, retail, landlord or lease/option, or whether you're into single families, apartments, raw land, commercial properties, condos, or mobile homes—you need the same set of basic skills.

Al Lowry, Clarence Jones (my own father), and some of the other progenitors of the real estate education business knew this. Their courses covered the meat and potatoes, the basic skills that REALLY make or break a deal...like how to choose the right property. How to evaluate the repair costs. How to figure out the value. How to negotiate a deal and fill out a contract. How to talk to sellers and buyers. How to get money from banks, from partners, and from the seller. How to market properties. How to choose the most profitable exit strategy.

These courses were relatively inexpensive—in the \$500 range, for a 2-3 day live class plus detailed manual and audios. They laid out the skills that the students needed to have to actually do deals, with no frills, no B.S., and no “upsell”. It was information that anyone willing to apply it could use—with some help from a local mentor—to do actual deals. And it was cheap enough that, if by the end of the weekend, the student decided that real estate was just not up his alley, it wasn't a major investment that he'd be paying off for years to come.

Today, it's very common to find new investors who've spent \$40,000-\$70,000 (and 18 months or more) on a series of courses and bootcamps that have taught them no more than they would have learned in the old Lowry-Nickerson course in the 70s—and who have STILL never made an offer. When the constant message is, “in order to do a deal, you need to take the next class, you need to get my friend's homestudy course, you need to pay for my webinar series...” instead of, “in order to do a deal, you need to take what I just taught you and use it”...well, how can a newbie EVER get started?

I think that you SHOULD take the next class. You SHOULD spend more money on becoming specialized. You SHOULD keep getting educated as long as you like...**but I also think that you should start with a good, basic, cheap, steak-not-sizzle beginner's class to figure out what you HAVE to do and what you WANT to do before investing in a bazillion other courses. In fact, I think you should take that class, get out in the field, get your boots dirty and make some offers before you even consider moving on to that \$2,000 bootcamp or \$10,000 mentoring program. Fact is, if you're not going to do it, you're not going to do it whether you spend \$500 or \$50,000 on education.**

I believe that promoters and REIA groups need to take some responsibility for the explosion of bad education. Every week, I see that some of my most respected guru colleagues

and some of the best REIA groups in the country are giving a stage to some of the worst “flavor of the month” speakers around. Guys, I get it—they sell a lot, and we all need the money in our coffers. But whether we’re association board members or seminar promoters, we all owe it to our members and customers to put QUALITY educators in front of them. They depend on us to do SOME level of screening of these gurus, because, frankly, many of them are too inexperienced to have a frame of reference to sort out the bull from the good stuff for themselves.

It is NOT ok, in my opinion, to put a speaker on your stage who lies, or who sells garbage, or who doesn’t give refunds or who doesn’t fulfill mentoring or any of the other numerous sins that a lot of these people are known for, no matter how well they sell. And it’s also not ok to put a speaker on your stage when no one on your board or staff has even checked the speaker out, reviewed his product, or made an informed decision about whether his strategy is complete and workable.

Your members should not have to beware of people that are on your stage. “Caveat emptor” certainly applies online, where most of these folks seem to primarily reside, but an attitude that says, “hey, he sells well, people want it, who am I to judge?” is all wrong. Those of us who are in the leadership of groups talk to each other all the time. Between us, we know who has good stuff and teaches well, so why is the first question we ask “Can he sell?”. That should be the THIRD question, after, “Is he ethical?” and “does he teach?”.

Don’t get me wrong, when I promote seminars, I want speakers who can sell a lot of courses, too. And it’s not that I’ve not had some fairly significant missteps in this regard—I can think of at least 3 presenters that I’ve booked on the recommendation of others, only to watch horrified from the back of the room as they claimed to have done 3,000 deals in 5 years (I kid you not) or as they discussed their new breast implants with the audience (again, not kidding) rather than teach anything. But for heaven’s sake, I don’t BRING THEM BACK. Ditto if they don’t honor refunds or don’t return calls from students or any of the dozens of other front of the room or back office atrocities for which some speakers are known.

I can tell you for certain that if you see a speaker on MY stage, or hear one on MY webinars, it’s because I’ve vetted them AND their product AND researched them with other promoters and on the web, and that I think that their strategies are very workable for the average Joe, and that I will not say I’ve personally used them if I haven’t. And if I screw up (it happens—speakers that I’ve worked with in the past sometimes change their programs or develop fulfillment problems as they become more successful), I’ll say so.

I believe that there are a few key ways to tell the good courses from the bad without plunking down a credit card to find out. In my experience, there are some behaviors on the part of speakers that will pretty much tell you whether they're selling garbage or good information. Here they are, in no particular order:

1. *What's the refund policy?* The longer and more complete the refund is for a particular course or seminar, the more likely it is that the speaker doesn't get a lot of refund requests. Refund requests are more expensive than you think: your credit card company charges the merchant about 5% of the total amount you spend when you BUY the course, and another 5% when you RETURN it⁸. With handling and so on, it costs the speaker about \$120 in actual expenses when you buy and return a \$1,000 course—and that's over and above the fact that they have to refund your entire investment!

Gurus who stand behind their products, who want them to work for you, and who DON'T have a lot of unhappy customers returning courses offer generous and easy refund policies. They make it easy to return courses (by, for instance, giving you their shipping address when you buy!); they don't make you jump through a lot of hoops to get your refund (like proving you've made 100 offers); and they have a reasonable refund period (at least 30 days).

When you see a course or seminar that has a 3-day refund policy—the minimum required by most state's laws—you can be pretty sure that it's garbage, and that the guru is depending on the fact that you can't get it opened, read, and evaluated before your refund time is up. When you see a 1-year or lifetime refund policy, you can be pretty sure that others have had good experience with the product and are not returning it in droves.

3. *Are you allowed to see what you're buying before you buy it?* This isn't always possible with live events—you get the information when you get there, and there's no way around it⁹. But when you're buying a homestudy course, you REALLY ought to be able to flip through it before you take it home, right?

⁸ This, by the way, is one of the reasons that speakers are so sensitive to customers who buy a course, copy it, and return it or who buy, copy, and sell the original on eBay. Many speakers—and rightly so, in my opinion—are now “locking” their courses so they can't be reproduced without voiding the refund policy, and are actively prosecuting those who do. Plus, it's against the law and morally wrong to steal other people's copyrighted materials, so...well, I know you'd never do that, would you?

⁹ Which is why live events should ALSO have a refund policy...

The problem is, some “home study courses” are mere workshop manuals in outline form. They don’t fill in the detail—you’re apparently supposed to do that by listening to the audio, which is fine for a live course but useless for something you’re supposed to learn from at home

Writing a quality homestudy course is hard work. So hard, in fact, that a lot of gurus don’t really bother to do so, and so they won’t let you do even a basic review of a course without buying it. When you see that the product is shrink-wrapped, and there are no open “review copies” in the back of the room, that’s a BIG warning sign.¹⁰

3. *Is there a detailed table of contents?* This might seem like a minor point, but without a table of contents, homestudy courses are practically useless as a reference tool. Plus, it shows a basic lack of care on the part of the author—I mean, how hard is it to let the reader know where a particular piece of information is?

I believe that undisclosed “forced continuity” programs are immoral, and are going to land some people in jail—and when they do, I’m not even going to send soap on a rope. If you’ve been a victim of one of these programs, you know what I’m talking about: you buy a course, then find that your credit card is being charged \$19 a month or \$39 a month or \$99 a month and you don’t know why.

Again, I feel obligated to say that there’s nothing wrong with the programs themselves. My Inner Circle is a continuity program, and I happen to believe it delivers incredible value for the price. And my program isn’t “forced”—when your membership expires, we don’t just grab your credit card number off the order form and start charging you! You have to proactively say that you want to join.

The problem with some speaker’s continuity programs, though, is that they neglect to mention that you’ll be charged for them at all, and they bury the permission you’re giving them to do so in the fine print of the order form. The theory is that most people don’t look at their credit card statements carefully enough to notice a little charge like that every month, and that one can make a fortune just off the people who don’t cancel for months on end because they don’t notice it. And it’s a workable theory—just one that is pissing off a LOT of customers these days. Check out the chatter on the internet about this: many people are saying they can’t even get the guru to stop charging them when they ask, until the customer finally runs a chargeback on their credit cards.

¹⁰ Especially when, as is sometimes the case, breaking the shrink-wrap voids the refund policy!

I'm telling you, this is exactly the kind of business practice that prosecutors love to get their hands on. And in this case, rightly so. It's wrong. Wrong. Wrong.

I believe that it's up to the consumer to have a little sense about this stuff. There's a reason for all of those old saws about money and success... "You don't get something for nothing". "There's no such thing as a free lunch". "If it sounds too good to be true, it probably is." When did we lose our grasp on the idea that success = work? When did we start believing that there WAS such a thing as "get rich quick"? Why is it that so many people thank me for "revealing" that real estate is a business that requires investments of time, effort, and money, and yet buy from the guy who says that it's all done for you?

Here's the deal: if you're looking for someone who tells you what you want to hear, shows you 5 figure checks that his students have earned, and makes the real estate business sound like it's all beer and skittles, I can point you to dozens of gurus who will be happy to fulfill your need to be lied to. But if you're serious about knowing the warts and all, and you don't need hype to be happy, and you're willing to work hard to be rewarded in an extraordinary way, stick with the people who aren't willing to blow smoke up your skirt in order to sell you a course.

Your gut will tell you when you're in the right place.