



TRANSCRIPT OF EPISODE 7 OF THE INVEST FOUR MORE PODCAST

Building Multiple Million Dollar Companies - with PJ Ghadimi

Mark: Hi everyone. It's Mark Ferguson with Invest Four More. I'd like to welcome you to another podcast. Real estate investing, being a real estate agent, and just success in general. Previously, a lot of our shows have been about wholesalers, real estate agents, fix and flippers. Today I got an awesome guest who has been in the real estate industry and made a ton of money in it but that's not his focus now. We're going to talk a little about real estate. We're also going to talk a lot about success, mindset, and incredible story in how he has built fantastic business, in fact multiple businesses. So I'd like to welcome PJ Ghadimi. Thanks for being on the show. How are you doing?



PJ: Good, buddy. Thanks for having me on your show. It's good to talk again.

Mark: Yeah, for sure. Actually I did a show for PJ a few months ago on his site, secret entourage dot com, which we'll talk about here later on but a great site. PJ, first off, you came to the US when you were twelve, right? Do you want to talk a little about how that experience was and how that kind of shaped your entrepreneurial aspect?

PJ: Absolutely. I was actually ... I think I was roughly, I was like twelve going on thirteen. I was born in Iran during the revolution and then we, me and my Mom, were forced to flee the country because we worked directly for the Shah, which at the time was the king. And so we were forced to kind of get out of the country and we tried to come to the United States and we couldn't so we ended up going to France where my Mom started a business similar to Kinkos today, like the FedEx Kinkos Copy. She did that for a little bit over ten years, did really well for herself, kind of built that starting from zero. I watched that whole thing take place and then long story short, we get one shot at coming in the United States and we have to leave overnight, literally. Not a joke. So like we have to wake up the next day and we have to go like almost would be like, "There's a boat leaving.", but it wasn't a boat. It was like [inaudible 00:02:02]. It was like, "You have to get out of here today and that's the only way you're going to go."

So after trying for ten years, she finally gets a visa and we like get off. So and we completely leave everything behind. She leaves her business behind, all her money behind, our apartment at the time and all our furniture. So we started again in the US with zero once more. Second time, second strike and now we're like back to zero with barely twenty grand of what she had that she could get together, you know before we left, that wasn't going to be suspicious. We're now in the country and we have no way to be here legally in terms of no green card, nothing that allows us to work or anything, but we're here and that's what she wanted.

So we end up here and long story short, I end up with my uncle who is already in the United States, is semi-established, you know, doing well for himself. And kind of helps her out a little bit and gives us kind of a home. You know basically a car to get around and through his connections, gets us a social but not necessarily a social that you can use for anything. Just one of those pieces of paper that has a social on it without any ... Blindly says on it that, "You cannot work with this. You're not authorized to work." And so, you know that kind of set the precedence for what was going to happen the next ten years. It was like we're in this brand new country again and I don't speak really good English. I don't really know anything and I'm going to go back to a different school again and, once again, by the time I turn fourteen in two years, I'll probably won't be able to do anything because I still won't be legal here. So that's kind of how we ended up in the United States and then, from there, it was a quite a, a very interesting journey going forward.

Mark: That's quite a story. For people who think they had it rough having to go to public schools in the States or ...

PJ: I'm only telling you like ten percent of it too. I mean it was really bad. It wasn't one of those very straight forward kind of model and make. I'll give you some context when you said for people who complain, right? People who are in the United States really don't understand how lucky they are right from the start. We were in France and my Mom literally wanted to come to the United States everyday. She would do whatever it took because she knew it was a better place for me to grow up as an individual and have a better future, better than in Europe.

So wanted to come here and wanted to be with her only brother that she really could be with that was kind of like her own child, like she would go to the embassy literally every six months on the dot, and we didn't have a car, right? When we were in France, we were like walking, in the subway and everything. You have to think like winter, one hour walk, one hour on the subway, one hour walk again, only go to an embassy to be literally beaten out of it or thrown out of it like you were a piece of garbage. Every single six months, on the dot, for ten

years with a child on top of that. And barely being able to afford to live to begin with and you know, just go right there and get thrown out and then one day they're like, "Hey, you can go." And then despite everything you built, despite all the struggles, you're like, "You know what? I'm going to leave everything behind and I'm going to completely take a chance and go." People really take it for granted when they're here and they don't realize what people are willing to do to be here and the opportunities that exist in this country.

Mark: Right. No, it's true. When I read books, when I see stories about some of the ultra-successful people, it seems like many of them have that same background where they had absolutely nothing or they went through just horrible stories and, for whatever reason, that kind of puts the desire, something in you. You want to make it at all tops after being through that. You have nothing to lose really, right?

PJ: Think about it this way. I think, I like to position it more in the sense that when your ass is against the wall, you typically find a way. I think when you're at the gym and you're benching. You know, you can bench. Let's say you have a max and your friends are there and you're like, "Oh, I'm max two hundred pounds" or whatever it is; but if you're hanging off a cliff and you're life is in danger, suddenly you're benching three times that amount for that one time, right? It's like that need for survival kicks in and it's such a powerful thing. Especially when, at first it is something that happens. You're about to get hit so you move faster. You're about to fall off a cliff, you bench more.

But over time, if you can train yourself to really make yourself feel like you're there and work everyday as if it's kind of like the no choice mentality. You know, you have to make it, then you make a lot more progress than the one person that's sitting there and is like, "Oh yeah. I have time. I have ten years to make this happen. I'm just going to take every day and slowly move forward and do these three tasks today on the calendar." You know, that shit doesn't work. Forgive me but it doesn't work in business. There's no such thing as work-life balance. It's bull-shit. People tell you, "Oh yeah. You have to spend three hours a day with your family. You wake up at six am, hit the gym by seven. All of that stuff is bullshit. There's only one thing. There's life and life. That's it, and if life encompasses work, family, and everything else then it's the mixture of the two. But there's no such thing as a work-life balance. Everything always intermingles and you have to find a way to really function within the chaos. That's really what entrepreneurship is about anyways.

Mark: I know your answer to this but I'm sure you have some strong opinions on the idea of working forty years in the corporate job, isn't going to retire for ten years at the end of your life and hope you have enough money left over. I mean that's a great strategy [crosstalk 00:07:18]

PJ: It's not bad. You know I actually have a huge history in corporate America. I was a banker really young. I was a banking manager when I was eighteen years old. By twenty-five I was pretty much on top of the food chain of a retail bank. Almost every single bank the company actually had and I was almost three hundred. I created new concepts for bank that are still to this day extremely profitable for the new bank that's acquired my old bank. I've spent ... I went into corporate America with a very naïve mind, with a very open mind to the idea that great people are going to help me do great things and what an opportunity. You can up your salary every year. And I really got it. I did really well. I got promoted seven times in three years. And two positions that were almost two hundred percent salary increases, yeah? I still to this day, I have a letter from my one salary increase that was like from the [inaudible 00:08:11] of the company, "We bumped your salary up a hundred and seventy percent.", and people receive letters that are two percent increases.

Mark: And they're excited.

PJ: And I'm like I just hanged on to that because it was like, "I don't think anyone will ever see that in their life.". One hundred and seventy increase for being at your job and doing a good job but these were the days back when banks weren't as regulated. Things were different and obviously, you talk about real estate a lot, so it was a time when even real estate was regulated as much as it is today. The practices and things weren't in place. But during my corporate America time, I really did well and I really loved my job. I loved the leadership aspect. I loved the training aspect. I loved what I was doing very, very much so. But I think, very important to note, that I still was an entrepreneur on the side. I still had a side business during that time and I still believed in one thing that we have to align our goals to what we do. What I mean by that is if you want to work in corporate America, there's nothing wrong with that. Some people just like structure, they like working for others, et cetera. They don't mind working forty years. They might even do very well in working a corporate position, right? We're not talking about entry level thirty K a year. They might do well. They might make a hundred and fifty K, two hundred K, whatever it is.

But really the part that is confusing for people is that they go in jobs, so they'll go work as like retail manager at the mall and they'll be like, "Oh my God. In five years I want a Lamborghini or I want a Ferrari", and it's like, "Okay, well that's great. So what are you going to do for that?". And they're like, "Well, I'm going to here.". Well, that doesn't make any sense, right? That's just the confusing part. It's like when you have these great aspirations in roles and you're doing absolutely nothing other than just going day-by-day doing the ordinary hoping something extraordinary happens. I think the ordinary is following the path that society has created. Like go to school, go to work, retire like you said forty years

later with a ten year pension left and hopefully you'll die within that time, right? That's really what society creates.

I think there's nothing wrong with that. People go to school and they're like, "I've invested a hundred grand in school and I'm making forty K a year.". That's normal. I guess the problem is the expectation you have from the system. The problem is not the system but it's your expectation that the system will make you successful. In reality, no one but yourself can make you successful and what ends up happening is that the system is a business, right? It's a working machine and it requires moving people, which are us, that fall into and actually function within it. The way it positions itself as a system is, "Hey, if you follow the steps, you'll make it. It'll take you forty years, but you'll make it.". Their definition of you make it, you've made it, or you're going to make it is very different than a person's desire to make it or what they really see for themselves, right? And because the two are not aligned and people have no self awareness that like, "Oh, well that's what they're talking about. I'm talking about a Lamborghini, they're talking about a pension at sixty.", you know?

And I think because people misalign themselves, they believe that the system is there to make them rich, when the system is there to teach them to survive. Like the system makes you a lawyer or a doctor, not like a wealthy billion dollar doctor. It makes you a doctor that can operate within the hospital system. Now you have to go out there and learn how to be an entrepreneur as a doctor and open ten offices, create tools, you know, push yourself further and acquire that whole lifestyle that you believe the doctor should have after spending twelve years going for an educational[inaudible 00:11:35] that cost them a million dollars in backend loans, right?

So like I think people misunderstand. They're like, "The minute I come out of the system, I'm going to be successful.". No, the minute you come out of any system, it doesn't matter what it is, you have the basic knowledge to get started. Getting started means you have the basic knowledge of putting your ass in front of a computer or at work and saying, "You know what? Now I have the basic needs to survive and understand what to do to make basically what I need to eat and to lodge myself.". Now all that Lamborghini shit is out the door. It's got to be something that comes later because you understand how to actually work the system and grow it, and get further then just to survive [inaudible 00:12:12].

Mark: I take notes and I read a lot of information on your history and I have [inaudible 00:12:17] where I want to take this show but you say some really interesting things that makes me think, you know five years ago I was a real estate agent. I worked for my Dad doing some flips and I was doing well but I never thought I could own a Lamborghini. You know, the thought like, "Oh man that's not for me. That's for somebody else."

And then I just started changing my mindset and thinking, "I'm not going to let society tell me what I want. I'm not going to let them dictate whether I should have a nice car.". Frugal is in right now like crazy. I mean you read Mister Money Mustache and some other blogs and they talk about not spending money on toothpaste because it's too expensive and that's crazy but you know I changed my mindset from, "I'm not going to decide I want a Toyota Corolla for my ... I really want this. It's something I want and I think not only do people misalign themselves as far as, "I'm going to work as a bank teller making twenty grand a year and drive a Lamborghini", but they let society tell them, "You don't need to want a Lamborghini. That's not a goal you should have. That's a bad goal to have.". I think people should realize, you know, make goals that things you really want and don't let society tell you what you want.

PJ: Well, I think, the first thing is there's a huge misconception of goals too, like you said, and we can talk about a little further, but you brought up something really interesting. They're like, "Oh they're a bank teller" and when you're in corporate America, people believe, and this is the really funny part, people believe that corporate America promotes people and your boss promotes you. That's completely a lie. First off, no one ever promotes you but yourself at work. You promote yourself based on your actions, based on your what your able to bring forward to the company, and you create the opportunity of a promotion for yourself. There was never a single promotion at work where someone was like, "Oh, hey. There's kind of like maybe going to be an opening you should apply for it.". For me, it was always like, I was ready knowing that that opening was going to come due at some point somewhere and I was already prepared to say, "Hey, I'm already built to go straight into that so you don't even need to open that promotion for another twelve people to apply to it because I'm the perfect candidate for it.".

Now nobody made me the perfect candidate. I worked myself up to that in addition to my day-to-day interactions or things I had to do at my job to prepare to put myself to the next level. So by the time that promotion came, I was already operating at a district manager level when I was a bank manager and then as an executive when I was a district manager. Like I was already in like way ahead of my time and that came from this drive that I understood that if I was going to spend forty hours at work, at any given point for any reason for a week, then I was going to make the forty hours count.

So most people are like, "Well, there isn't enough time. You don't realize how stressful my job is.". Do you realize that most people spend thirty percent of their time working in their jobs and seventy percent either ear fucking themselves or actually just looking at the clock or looking at their computer or the internet or being highly confused. Now what if you took that same seventy percent of time and only made yourself work seventy percent more of the same

time you're there. So in other words, you are one hundred percent operational during the time you are already paid to be operational by someone else, right? How much more could you accomplish? Probably four times what you're accomplishing at work today.

It wouldn't require you to work or sit at your desk one hour in addition to what you're currently doing. You know, on top of anything, so it wouldn't take time away from the kids. It would do anything else. But it's because we so have this thing in our head that like, "If you don't build your dreams, you're building someone else's dreams", and all that crap, right? Because we're fed this by society. Even on the entrepreneurial side, that's the problem too. People are told that so they're like, "I don't want to build someone else's dreams. Why would I want to do that? So let me not do shit. Let me just sit here behind a desk and I'll just collect a paycheck then I'm getting my dream." . No. You're doing the complete opposite.

How many times do you hear people, I'm sure you hear this a lot in investment places, people are like, "I want to be a millionaire. I want to be billionaire. I want a Lamborghini.", right? But how many times do you hear them say, "I want to become the best realtor in my county.". How many times do you hear them say, "I want to be the top of the line chef that's in Chicago or I want to be the most powerful nutrition business, you know, across the United States.". No, because people dream. Those are dreams, "I want to be a millionaire. I want a Lamborghini.". It's all bullshit. If you become great at anything you do, doesn't matter what it is, that you're a realtor, an investor, a day trader, whatever it is, if you're great at it, that will automatically make you a millionaire, right? But the reason we don't focus on it because that requires a shitload of work. To be the best day trader, there's already five thousand of them out there, right? So for you to go out there and be like, "I'm going to be the best day trader.", it's going to take a lot of work day in and day out for like six, seven years, but that's the only way you're going to make it anyways.

So the goal is why not do that now even though you know that works going to be there and you're going to go through hell for like six years. Because at some point you're going to realize you're going to have to go through that hell. Everyone has to give in their dues. Our dues are like ten years of hell. If you're an entrepreneur, a day trader, you want to be successful, it's tens years of commitment above and beyond anything else. If you can't give the ten years, then don't start at all. Like why waste it.

Go work for someone else, do the best you can, keep moving up the ladder, earn a nice six-figure salary, go home, balance with you, that whole work-life balance bullshit. Go to your family, be happy, go to your soccer games, come home but then don't look at the other guy with the Lamborghini and wonder like, "Man, I

want that car. I really wish I had that guy's car. It's awesome.". No, because that guy, and I'm not saying people aren't born into wealth either, don't get lucky in that aspect but that guy, even that luck that other people have which obviously from their father's work, at some point, somewhere suffered their ten years dues. At some point, someone put in that work, regardless if it's passed on or not.

That guy you see that's really who you wish you were is the only difference between that guy and you is that he actually did it when you thought about it. I don't even mean your idea. He put in the work when you were wondering like, "I should go home or what should I have for lunch.". That was the difference. He didn't give a shit for ten years and you cared about all these other things that are pointless and meaningless. I think that's the biggest thing. People need to align their expectations to the work they're willing to put in and from that aspect, they can really move their life forward much faster.

Mark: Yeah, you said a couple of awesome things. The first thing, seventy percent of your time is wasted at work. You can see that in anybody if you give them a deadline and give them three times the work they've been doing and say this has to be done. At first, they're going to say, "There's no way I can do it.", but then they get it done somehow, right? Almost always you get it done when you have to is because you're too focused, you're not working as hard as you could most of the time. That's awesome.

People see my life and I have set it up now where I have people working for me where I'm not working eighty hours a week anymore but there was a long time where I was twelve hours days, putting in the time, working hard, I drove a Ford Mustang as my daily driver for nine years. It was a 1991 [inaudible 00:19:32]. I loved that car. I still have it. A seven thousand dollar car. I never had a car loan until I was twenty-nine years old. People see what I do now and they think, "Oh, I can do that in a year.". It takes work. It takes hard work, dedication, and sacrifice to get there. There's really no substitute, like you said.

PJ: I mean, even when you're good at it ... I mean, look, I've built two businesses. One did fifty million in revenue. The other one currently still does ten million under and they've both been running since 2005 and they're doing great. Even at this level where you have resources. You have money. You understand what to do. You've done it before. When I started Secret Entourage, it was a whole new thing. It was an e-learning platform. It had nothing to do with the type of businesses I was in before which previously were in the automotive space. I've done really well in that. I've done really well in the luxury lifestyle space and in the service and sales space, in terms of creating training programs. I was going into something totally new. I'm going into blogging. You know, designing, internet marketing, and all that crap, and yet I have all the money so I don't need

to be like, "Oh I'm going to work everyday like a slave to make this work," but I did. That's exactly what I had to do.

Even with money, it still doesn't change the idea that when you're going into something new, even if you're experienced or not, you might carve off a year or two, which is the basic principle of the work ethic and this and that. You're not going to carve off eighty years because you're like good at what you're do unless it's exactly in the same field. You're like, "Okay, I'm a real estate investor now. I'm going to be a different type of real estate investor.". That's the same thing so at that point you have a learning curve of six months to a year. You re-adapt and you move forward. When you're going, "I'm a real estate investor but tomorrow I'm going to go ahead and become an auto mechanic.". It doesn't matter. Life doesn't give a shit what you want to do. You give a shit so you go out there and you find a way to train yourself to be a mechanic. That process for you to go from a normal mechanic to a great mechanic is going to take you ten years.

What I try to tell people is that you can carve off maybe two, three years if you're really intuitive about how you work, very self aware, you identify opportunities quickly. At the end of the day, if you go in that path saying I want to be an auto mechanic and in two years, I'm going to be as good as I am a realtor which took me thirty years to build up to, that's not going to work. Just because you're a realtor doesn't mean that you're going to be a great mechanic all of a sudden, without the practice. Just like you weren't a great realtor in two years. It took you time to build that up, right? People take that ... They completely forget that for a business to grow and for people to be successful, it's internal. If internally, you're not prepared because you don't know the field or the area then obviously your confidence level is not through the roof, right? These are the components that drive people to succeed or not. Once again we come back to this every time but it's having the wrong expectation going into it. You know, expecting success quickly instead of focusing on the task at hand and building off of it, you know?

Mark: Yeah. Great stuff. All right, so before we get too far into this, usually we talk about real estate. The blog is about real estate. You made a ton of money in real estate doing something that is completely not possible today but still love to hear how that worked, what you did because I had never heard about that before I read about it and how you were making money on new construction laws basically, right?

PJ: I was doing something completely unethical. Who wasn't at that time? It was between the year 2000 and 2004 going into 2005. The economy was booming. I lived in Northern Virginia, around Tysons Corner, in the main area around where government people would live to travel to DC et cetera. Keep in mind, the two counties I lived in were the two wealthiest counties in the United States. They

also had the most two people working households out of anywhere else and the median income was over a hundred and ten thousand back then so this was a lot compared to other counties. It doesn't mean it was the richest part to ever live in the United States, it just means that there was a lot of money there because of government and the high paying jobs. The average job paid eighty K a year. You had a lot of people that were able to buy homes. You had a lot of demand. People wanted homes. They wanted real estate and you had a lot of families that lived there so these were some of the key indicators.

The opportunity that came at hand was that I was really young. I was in banking so I understood how homes were bought and sold, like I understood the mortgage process and everything else. I already owned my first home. Being eighteen, I had my first home and I had bought it for a really good deal. My uncle had taught me how real estate worked, like in general. Not like ... He wasn't a real estate trader or someone that was like making millions off real estate and taught me the tricks. He just showed me how to buy a house and sell it. It was as basic as [inaudible 00:24:25] and then I started and then a year later he was like, "You should take out a home equity.", and I was like, "A home equity? What's that?". He was like, "Oh you just take out this thing.". I'm in banking and I still don't really know how my equities work. He's like, "You should take out this home equity and here's how you leverage like a hundred grand.". I was like, "My house went up a hundred grand?", and he's like, "Yeah, in like seven months.". This was the time we were in, right? It was fantastic. I was thinking ahead, "A hundred grand. Holy shit. We should buy a lot of properties. That makes sense.".

Then what I started seeing, I started looking for properties. I went to actually buy properties, like any other human being would do to like make a lot of money, and I realized that all the properties were sold out or every time I'd go in to buy one, someone would outbid me or take my offer and toss it and get something better. I said, "Wait. This demand is really high and the supply is really low so where do people go?". They keep going further and further away to more home for the money, right? It's typical. Past history data typically reflects what's going to happen in the future, right, especially in real estate.

I looked at that and I said, "Okay, people are going to go further, like ten fifteen miles out or away and are going to be willing to take longer commutes.". Especially because the areas weren't really grown. You didn't have a shopping center on every corner. Today you do but back then you didn't. So I was like, "Wait a minute. Let me just following the trail of where they're building shopping centers.". You know, around which areas they're really going to plan to build up in the next five years and I went to those places and I realized I was right. There were a ton of homes for sale that weren't coming due yet. There were signs for like, "Coming soon.". This sub-division with like twenty homes and townhomes, and townhomes were really popular in that area. I would go in these places and I

was like, "When are you starting your model homes?", and they were like, "We're going to build the models in like seven months. We just put the sign ... We're still working on leveling out the field and everything." " Well, I'm interested in buying some lots." So they were like, "Can you afford lots?". "Of course I can afford lots." I couldn't really afford lots and they were like, "How many homes can you afford?", and I was like, "I think four to five."

So I worked in a bank, right? I would literally go out there and get myself ... I'd get pre-approved, get a pre-approval letter. I wasn't really buying a home so I could get pre-approved. I didn't have a home on my credit. You follow what I'm saying. I had my own home but not a new home now. So I would go into this area and I would buy a lot. I would be like, "How much is the lot?". They were like, "To put a deposit on the lot, you need five thousand dollars but once we start building" ... You know like you'll need your options upfront and all this stuff that you're aware of that you need when you buy a house. So I was like, let me give the five thousand dollars or the ten grand, whatever they were asking to secure a lot. I would go to all these different subdivisions with the same mortgage letter, saying I was approved for a house, and then I would buy all of these lots. Now these lots were like five, sometimes three grand, sometimes ten grand, right? What would happen though is that five months later, they would call me and say, "Hey, now we're starting to build these models. You have to come start your options because you have first dibs on the lots."

First time I went to one of these, I was actually going to go through and buy the house. I was like, "Hey, I'm going to buy a house then I'm going to flip it in a year and make some money.", and I'll do this because I ... The first one is coming due and I'll flip it and get the next one, et cetera, right? But when I got there, there was a line literally three days long. People had like camped there to try to buy a lot. The first lots were due in six months from that day. Keep in mind, my lot was like getting ready to be built on in like a month or two. These other lots they were selling were debt. Suddenly I'm like waiting in line like thinking this is the line to pick your options so I'm waiting in line. I realized these people coming out are now asking for thirty to fifty grand premiums for lots. They're literally like an auction house.

They're coming out, "Fifty K today whoever wants a lot on top of whatever the house costs and you can get a lot.". So half the line would go away. Some people would stay and then they're like, "One hundred K.". Some people would stay, some people ... I'm like, "You go to be out of your mind.". This is like an auction like eBay for homes. These guys are like completely milking the process. Then I realized, I was like, "Holy shit. These people are willing to pay one hundred grand cash to get a lot. And they'll wait six months but they literally want to live in these houses and I don't even give a shit about the houses I have."

I started going through my contract and I went to one of my family friends, who's a lawyer. I was like, "Look over this contract for this lot," I was like, "Does it say I can't flip it?". He's like, "It doesn't say anything about you can't flip the lot to someone else. You just have to fill out this paper work and do this, but technically, you own the lot." I was like, "Oh shit." I had a light-bulb that popped up. I was like, "I can go in line, like everyone else, and whoever is willing to pay a hundred K, I can give them my lot for the exact same thing and they don't have to wait six months." He was like, "Technically, you could. They can try to stop you, but technically by based on what's on this contract, they can't."

So I went and did that. I did that seventy-two times before I was caught. Anywhere from turning a five K investment into fifty grand sometimes thirty grand and in most cases somewhere between sixty and a hundred grand. I was thinking five K flips and making then into one hundred K without ever owning a house. Now like I said, I did this seventy-two times before I was caught and what I meant by caught is that, there was nothing bad about it. First off, they started putting new language that I couldn't flip contracts because I was doing this in so many sub-divisions and they were all pretty much were the same three builders. They pretty much got what I was doing and they started seeing that I was taking their profits. They're preventing me from flipping contracts. That was their first kind of process they put in place, but I still found a way around that. The second thing is that they actually put my picture in the offices like don't sell a lot to that guy. That's when you know you're in bad shape when you walk into that house office and try to give someone a hundred grand for a lot and they're looking at you like, "Are you that guy in the poster?", and I'm like, "You actually have a poster of me?". So I was like maybe this is getting too shady and I was like maybe I should get out of this.

So I made a lot of money doing that and after that I was kind of completely out of real estate. A lot of people today hit me up and they're like, "You're a real estate investor.", and I'm like, "I'm really like, I have a bunch of homes and there are a few commercial properties but nothing drastic. I'm not a full-time real estate investor.". I'm not looking for properties but I'm an opportunist in real estate today so if someone comes to me and says, "I have a unique opportunity to buy a million dollar house for three hundred. We're going to sink two hundred into it to repair it. I might do one flip there or rehab here and there but really not someone who's into the real estate market as someone else would be if they're a real investor.

Mark: Right. That's a crazy story though. That opportunity, just pouncing on it when you found it. That's just awesome. I don't think it was ... It wasn't really anything unethical about it. It's just the way the system worked back then.

PJ: Unethical as in someone was going to milk the client for a hundred grand, right? Someone was going to get the hundred. I just found the way to interject and take the builder's hundred K.

Mark: Right.

PJ: Away from them before they gave it to someone else. I mean it wasn't illegal. It wasn't taking more money out of someone because a lot of people who were actually willing to pay a hundred grand, I would charge them sixty grand for the lot. I was like, "You were willing to pay them a hundred. Pay me sixty and take my lot.". A lot of them were like, "Are you serious?". I was like, "Yeah. It's available. You can go right now in and pick your options versus the other way. You have to wait six months before going in and picking your options. So you can be in a house in literally in a few months versus in a year and you can pay less than what you were just willing to pay right now when the guy said a hundred and you still stood in line.". It was being an opportunistic at the right place and putting myself in the right place and then taking the risk. You know what I mean? A lot of people would be afraid. They'd be like, "Oh my God. What if it was bad? What if it was this?", you know?

Mark: Yeah.

PJ: But really saying, "I'm going to get a lawyer, look this over. Am I doing something illegal?". He's like, "No.". "All right. Good enough. You know, let's go do it. Let's go figure out a way to duplicate this many times as we can and milk it.". A lot of people did that too. They just weren't doing lots. They were flipping homes, right?

Mark: Right.

PJ: It's the same process, I mean. We just found a way to do it without any capital. I think that was the main kicker. The first home equity line of credit that I had was really what I leveraged to buy a few lots and then kept going from there, you know?

Mark: Nice. You also bought some properties in Florida, right, with that money and ended up selling them.

PJ: Yeah, towards the end, I always wanted a house in Miami so I was ... I was into buying condos in Miami earlier on and then I realized that those weren't pre-construction. They were actually built condos that I was actually going to get in and out of. I enjoyed [inaudible 00:32:39] and then I realized what was going to happen with the economic collapse coming up and I kind of got out of the majority. I kept one and I still had a few homes in Virginia too that ended up

getting rented. That even to this day are still rented. They were bought at a good enough price where they were pre-construction and I got stuck with them and they did well and even today, they're still doing okay. I'm not making a billion off of them but they're still doing all right.

Mark: Right. All right. I'd like to thank everyone for listening to that awesome podcast with PJ. We actually kept recording and it went so long. We're going to break this down into two pieces but this was a fantastic episode. This will be available to listen to at any time. Next week we're going to pick up where PJ left off. Talk about how he knew a real estate crash was coming, what he did to prevent losing money in it, how he invested after that, more about his businesses, more about what he thinks people need to do to succeed, and then also, a lot about what he's doing now. Some of his programs he has to help people become entrepreneurs and a lot more so stay tuned for the next show. Thanks a lot everyone.

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