New Millionaires' Report...

Panic, Prison...or Eye-Popping Profits?
(Cedar Rapids Banking Insider's Investment Secrets)

Dear Newsletter Subscribers,

A few weeks ago, when I was at the state wrestling tournament in Des Moines, my staff Fed-Ex'd this same letter to 100 millionaires around the United States. I thought you might enjoy it instead of my usual newsletter. You'll learn a lot, see current properties available, and be alerted to the IMPORTANT EVENT on page 12.

I also mentioned multi-millionaire investor, author, consultant, serial entrepreneur, and business strategist, Dan S. Kennedy—who's helped those millionaires get rich. I pointed out a specific paragraph in one his books, that SHOULD be important to anyone interested in more than 2 or 3 % returns in this panicky economy.

The key paragraph is from Kennedy's book, *Creating Trust.* It's in chapter 2, where he's hammering home the foundational, "anti-panic" success principle that helped him accumulate great wealth. It's about leveraging time, energy, and money—by handing off important areas of your life to trusted experts. Here it is:

> **"I have about a million dollars of apartment building and commercial real estate investments in Iowa. I invest in them sight unseen. I truthfully do not even understand all of the tax ramifications—I have a CPA, who I trust, talk to my Iowa real estate guy, who I trust...I would never invest in real estate if I had to give it ANY time or attention—my time is too valuable doing other things about which I am an expert. I found a guy, Darin Garman, who I trust."**

(Here's the rest of the letter...enjoy! Delivering prosperity (even in this economy), —Darin)

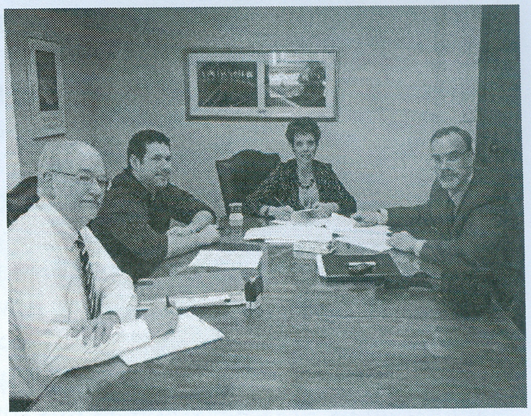
I'm that "trusted-expert" for investors throughout the USA, Europe, and Australia. I'm Darin Garman, in Cedar Rapids, and I'm writing to you because I expect you're like most millionaires. You just want the money without the time-wasting, cash-draining annoyances of complex investing. So now, here's...

How to Make Double-Digit Returns from a Banking Insider's Paranoia

Commercial real estate investing requires the highly specialized skill set I've acquired through 20 years of intense, in-the-trenches buying, negotiating, selling, researching, and hard knocks.

I've also been a bank owner and sat on the board of directors, where I saw way too many "train wrecks" in commercial real estate—instead of the consistent, double-digit returns my hundreds of investment partners enjoy (see case studies, next 2 pages).

I was conservative *before* my days in banking, but I'm even more careful now (aka: slightly paranoid), after years of approving loans, reading financial statements, and watching the behind-the-scenes tactics of every kind of investor and financial risk taker.



"I'm on the far right (with beard grown out for winter) plotting strategy with my team."

My banking experience compressed a life-time of financial intelligence into a few years, where I saw a handful of crap-shooting speculators hit the big time—but hundreds more conservative, ordinary, well-to-do folks who, without a hint of panic, were getting steadily and consistently richer (by the way, the "prison" part of this story comes later).

Real estate, of course—the #1 wealth accumulation strategy of high-net-worth individuals.

But not necessarily *residential* real estate which is in the crapper. Commercial real estate has not only avoided the disaster that's dragging homeowners under, but the recent residential debacle is actually a dream come true for commercial property owners—and it's only going to get better!

Especially in the Cedar Rapids economy which has been surprisingly insulated—and stable—despite the generalized "downturn" across the rest of the USA.

And here's why 2012 promises to be our best year ever—and how you can grab these same high-yield, low-risk investments which provide multiple streams of income and surprising tax advantages.

"But I Don't Wish Disaster On Anyone!"

As most of us know, there's opportunity in every crisis. There's also no shame in delivering a quality service—like providing shelter and a great place to live for those who need it.

That's the good news about the residential housing crisis. We've got many more potential renters, especially highly-mobile professionals who no longer want the "noose" of a mortgage around their necks.

They need to be able to quickly follow employment opportunities—to pack up and go at the drop of a hat. So quality apartments are even more in demand—which drives up rents and provides even more cash flow returns for the owners of commercial properties.

The U.S. Census Bureau reports that home ownership has decreased from 69.2% to 66.4%, from 2004 to 2011—which is a highly significant 2.4% drop—accounting for a potential 3 million more renters. Also...

Reis, Inc., the real estate data firm, reports a steep drop in vacancy rates over the last 2 years—the sharpest decline in the last decade—for even more potential renters. The Feb. 24, NY Times said the same thing.

So commercial residential real estate, which has always been profitable, stable, and conservative, is on the threshold of what may be our biggest opportunity ever.

High-Profit Examples

I admit, I've got mixed feelings about the current market. I own my own home and don't want to see residential housing go to hell in a hand basket. Even so, I can't complain about what's happening in the commercial market. It's amazing.

And before I introduce a few of my fat-and-happy investments, here's a thumbnail sketch of how we actually "make the money" with a couple of case-study properties. Some of these opportunities you can get in on, and others, will have been snapped up by the time you read this (but more are on the way).

One of our crowning achievements!

Google Earth will take you to a perfect example—our Forest Ridge Apartments in Cedar Rapids, IA. They're 164 units in a complex of multi-unit buildings on an elegant site in south-central Cedar Rapids. If you're interested, plug in this address: 1220 Sierra Dr NE, Cedar Rapids, IA.

$8,250,000—nothing to sneeze at—neither is the 17.9% cash flow return for my group of investors for 2011.

By the way, that group includes ME...because I've got "skin in the game" with ALL of our investments.

So I'm not just "talking," but walking the walk, investing the same hard-earned dollars my investment partners use to out-produce money-market funds, CD's and the Dow.

Or course, I DO have a diversified portfolio like everyone should, but I'm heavy—about 85%—on commercial real estate. Yet within that 85%, I AM diversified—with multiple types of properties in various economic locations, with various rents, sizes, income strata of renters, zoning—with multiple methods of deferring taxes.

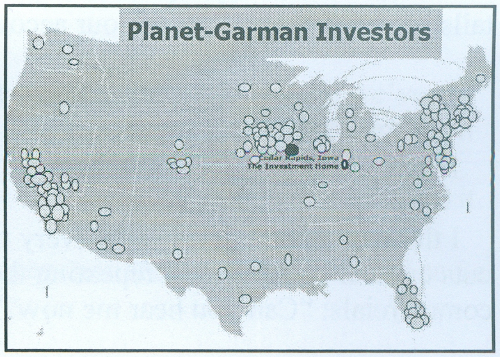
But getting back to the Forest Ridge property, how'd we crank up the value by 1.5 million dollars in just over a year? Because of...

The Lichtenstein Fiasco

It was so easy, I'm almost embarrassed to tell you about it. But "weird" things like this happen more and more often after 20-years of investing—as my reputation and networks continues to expand.

You see, I brokered this property once before. And I've always kept in contact with the buyers, a married couple living in Lichtenstein (I also send a monthly newsletter to ALL property owners in the greater Cedar Rapids area). So after the husband died, the ensuing cat-fight between relatives caused the exasperated wife to call me, lay out the situation, and offer an extremely reasonable price to get it out of her hair.

Long story short, I gathered some of my top clients, purchased it again, got better management involved, brought rents up to market value, and bingo, massive appreciation and increased cash flow for our investors—to the tune of 1.5 M in a year and a half and 17.9% cash flow return (disbursement checks paid quarterly). That cash flow figure *doesn't* include appreciation!



But every properties' strategy is different, in terms of...

Trimming the FAT!

Sometimes a few cosmetic improvements is all it takes. Sometimes it's buying property insurance in "bulk" because we insure so many properties already. Sometimes it takes competitive financing that's available to me because of my track record with so many lenders who are vying for our business.

Sometimes it's reworking how utilities are paid or doing something as simple as replacing the furnaces. Sometimes it's rezoning from residential to commercial, which in Iowa, can slash real estate taxes by 50%.

Sometimes it's all of the above. And of course, we know all this before purchase. The seller, on the other hand, is either unaware of the possibilities, too lazy to implement, or doesn't have the buying power or the ability to leverage connections to make it happen the way I can.

I'll tell you a few more "tricks" in a minute, but in case you're wondering who these "investors" are, eighty percent of our USA investors are out-of state—20% are my fellow Iowans. The rest are mostly in Europe or Australia (one in India).

multiple properties with us, and some have invested in just one. Some have a million dollars invested (like Dan Kennedy), and some just $25,000 (occasionally as low as 10K when I need to fill a gap—I think I've even got one at $4,000 (but exceptions for investments that low are only for current partners).

"Don't Keep Calling Me—Just Show Me the Money!"

The cash flow on Gerardo's 4 properties, for 2011, wasn't all double digits. It ranged between a low of 7.5%, to a high of 18.5%, which doesn't include the appreciation or tax benefits. And what's funny is…

The other day, my partner, Jason, was following up with Gerardo Ramirez regarding his investments. And Gerardo, trying to be diplomatic, said: "You know, Jason, you really don't have to call me."

Translated, that means, "I'm a happy investor. You don't have to coddle me because I'm a good client. Just send the monthly reports and the quarterly disbursement checks."

It was funny, and Gerardo's not the only one who feels that way. But he also told Jason he's going through 2 nightmare experiences: trying to manage a Michigan property from a distance and untangle a sudden legal mess he inherited by buying into another property in Florida. Exasperated, Gerardo said:

> **"I don't know why I keep learning these lessons the hard way. I'm going to get my money out of those properties and just invest it with YOU…because YOU do everything and I don't have to do any WORK!"**

And he's right. As an partner investor, you don't have to inspect, evaluate, review the legal background, hire the management company, reclassify the zoning, fight with deadbeat renters, wade through financing, or deal with banks and credit unions.

Besides the monthly reports and quarterly disbursement checks, we even provide the ready-to-file tax details so you just hand-off to your accountant—clean, crisp, clear, easy, and profitable—all done for you!

"Can You Hear Me Now?"

Here's another great example.

I think of this retail property every time my cell phone reception cuts out and I hear myself repeating the catchphrase from the TV commercials: "Can you hear me now?"

Jason and I (right) counting our cash.

I'm talking about our Verizon building in the Collins Road Shopping Center in Cedar Rapids. This property returned 11.33% cash flow for 2011. It's been a cash cow.

The investment sold quickly. But at the time of this writing, 2 spots have opened back up. Occasionally, one of my investment partners will want to "cash out" because of a health crisis, a wedding, or another kid going to college. And it's *possible* a spot will be available when you get this. It's worth a call (see contact details at end of letter).

The story behind Verizon is as fascinating as the Lichtenstein property. But to summarize, we already owned this property when the adjoining space, a mortgage company who we were also leasing to, went out of business. And suddenly Verizon wanted to expand, which put us smugly in the driver's seat.

With a facelift and some "build out," we were able to negotiate a new lease which improved our investors' positions even more—which was already VERY STRONG, even before the Verizon expansion.

And...I have literally hundreds of similar stories. We're approaching the 1/2 BILLION dollar mark in real estate transactions over the last 20 years—$400,000,000 to be more accurate.

We've had investments in shopping centers, strip malls, stand-alone apartments, office buildings, multi-unit complexes, retail properties, and condos.

We've leased or rented to big names—Verizon, Walgreens, Adidas, Family Dollar Store, Subway, IKON, Ace Hardware—and to thousands or ordinary residents.

And occasionally, even a few single-family dwellings sneak into our portfolio, as you see in the following "crime story."

Robert Miell (the tall, justifiably grumpy guy) with his attorney.

How Iowa Crime Pays BIG Dividends (When You're Not the Crook "Doing" 20 Years)

Most Iowans have heard about big-time fraud, Cedar Rapids style, when it hit the news 2 years ago. They nailed a guy named Robert Miell, one of the biggest scam artists we've ever seen. He owned 69 million in commercial real estate, so I can't figure out why he did it. The only thing that makes any sense is he got greedy.

The sordid details include writing up insurance claims for roof damage and charging millions of dollars for phony repairs. Those bogus claims punched his ticket to a 20-year vacation up north in a federal facility in Rochester, Minnesota.

<u>The good news is, Miell left me a financial surprise</u>!

It was delivered by way of an Iowa credit union. And because they knew our reputation (and we've worked with them before), they gave us "first dibs" on several of the Miell properties when they got them back in foreclosure. There were 3 apartment buildings, totaling 63 units , which we wanted, and a dozen single family dwellings, which we didn't want—but the package deal was still a bargain, so we grabbed it.

Relationships with multiple lenders are just one way we're able to generate steady, consistent, and sometimes outrageous cash-flow returns for our partner investors.

We sometimes leverage a dozen or more different strategies to increase cash flow returns. I've already mentioned buying "bulk" property insurance to dramatically cut a major expense, and another big one is converting property taxes from commercial to residential.

But we also eliminate the "little-profit eaters"—like bringing in-house laundry machines up to more competitive prices, and we just hired a new management company that's twice as efficient at half the price. It's the picky details like these that thwart newbie investors, who try to copy what I'm doing, They fall for...

The Fool's-Gold Fallacy

I'm sure you've had the same experience with other investment products. You get all fired up by the possibilities, but when the flood of adrenaline burns out of your system, reality rears it's ugly head...