



## Investor Update

### ROI Strategies

I was having lunch with one of our investors last week and we were talking business, of course. His business is continuing to produce record months of revenue and profit. I have known him for a long time and I am really happy to see his success, because it hasn't always been that way.

Most of us business owners and entrepreneurs have had our share of ups and downs throughout our careers. It started to make me reflect on our current business and its ups and downs over the last 6 years.

Rent to owns have been a great way to invest over our last 3 ½ years. They are not easy, and sometimes very complex when you look at the business as a whole, but they continue to produce very consistent cash flow which translates into consistent returns for you.

I wish I could say that they are easy, but that's just not the case. Each time we add, modify, or remove something from the program, it takes a lot of training and communication with our team to implement it. That team has continued to grow over the years, mostly in the way of partners and affiliates, not directly with employees.

This external growth comes with advantages and disadvantages. The advantages include our business staying streamlined without bloating our internal team of employees. The disadvantage is that it takes a lot of work to communicate changes to everyone in our external short sale negotiation team, all the REALTORS® that are involved, and other outside parties that make the whole engine run.

In today's world of business, we coordinate with multiple companies, people, professionals, etc. to make it all work. Just look at how we manage our fund, ROI Strategies, LLC. We have to hire attorneys to review our offering documents, keeping us compliant with various state and federal requirements and also our rent to own agreements for the same reasons. We use a third party administrator, *Fairway America*, to monitor our investor's capital account. And, of course, our CPA firm, *Nelson and Evans*, reviews our finances every month. The list goes on and on.

Now, don't take any of this as a complaint on my part. I was just reflecting. As a kid I started a lawn and landscape business at 15 years old and grew it to \$5M in sales and over

100 employees before selling it. It seemed a lot simpler back then compared to our business today, but really, the vast amount of employees that it took to run that company made it more complicated than I realized. Because of that, I wouldn't trade it for what I am doing today. That was tough.

No business is perfect or easy. If it was, then everyone would be doing it, as the old saying goes.

Now I suppose you want an update on ROI Strategies? September turned out to be a slow month for rent to own properties. We did zero, partly because three were delayed until October. Because these are short sales, we don't have much control over the timing or the purchase.

However, our flip and fix business picked up momentum and is continuing to do so as I write this update. We purchased 3 flips in Reno off the courthouse steps, and 2 more in Las Vegas through the First Look program. We also sold one of the previous flips purchased for a profit of \$4,575 for ROI Strategies, and we turned it in just 10 days!

Our team in Las Vegas is increasing their efforts to identify more flips, and they are also expected to start buying off the Vegas courthouse steps in a couple of weeks. We continue to sell these homes on the basis of what comes first. If we have a family interested in a rent to own, these homes will be available to them, and usually at better pricing. Or, the home can be sold on the open market for a profit as a normal flip.

We had one of our rent to own tenants purchase their property in September. That brings the total to 25. One property we own in Dayton, we rented out for a one year lease. This property has proven to be difficult to sell after the rent to own tenant walked away. Dayton has many brand new homes for sale in the same price range so more buyers are choosing that route. We will rent out the home and stay positive cash flow with it until we see it is the right time to sell. We have one other property that we have rented out in the same capacity in Las Vegas. This fallback plan is the beauty of single family homes.

By the time you get this, we will have presented in Dallas at the SBRE Summit in front of 100 or so accredited investors. We will let you know how it goes and send you a picture of us getting to meet George W. Bush after his keynote. I am sure he will be interested in some of our thoughts on what we need to do with important world decisions. Yeah, right!

Until next month,

 