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The Dodson's Discuss A Recent \$20k Deal From Driving For Dollars

Hosted by: Joe McCall

Guests: Carey and Melissa Dodson

Joe: Welcome. This is The Real Estate Investing Mastery Podcast.

Joe: Hey guys, welcome to The Real Estate Investing Mastery Podcast. I'm actually doing a little quick little intro here to a podcast I'm going to release to where it was a video of an interview that we did with some of our wholesalers that were working with in Birmingham, Alabama. Their names are Carey and Melissa Dodson, super awesome couple. We were actually doing a private implementation workshop in St. Louis just a few days ago. We had about eight or 10 clients there, private clients and we were working with them, setting up their systems and their marketing and it was a lot of fun I enjoy doing these.

Joe: And so I wanted to interview, we just did a really big deal, crazy deal. It was from a driving for dollars and we skip trace the owner, we called them and we made about 20 grand on it. And it's awesome because we were talking about at the workshop, you know, some people have to get over this mentality of like, I can only make three to five grand, or I live in a special market. My market's different, right. I can only make three to five grand. And I've heard that for years, every since I first got started going to the local REIA groups.

Joe: You hear all the Debbie Downers tell you, you can't make more than, you know, \$3,000 or \$5,000 his average that's bs. I call bull roar to that. I had a calculus professor in engineering school who would say, bull roar all the time. So I called bull roar to that. I don't know how you spell it, but bull roar. You can make more than \$5,000. You can make \$10,000 to \$20,000 grand on wholesale deals. So remove that limitation out of your head get rid of that. And so we were talking and Gavin said, yeah, you know what we just did a \$20,000 deal the other day. So we got Kerry and Melissa on the phone and we just interviewed them real quick for a little 20 minute interview and so I'm just going to do the audio of this podcast and send it to you and it's pretty cool.

Joe: Just got a little bit of inspiration of, yeah, you know what I need to start thinking bigger I need to start thinking out of the box and expect bigger profit deals. Do you understand what I'm saying? Critical, important. It's so cool too because Carey and



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Melissa, they went to a workshop similar to this in San Diego that I did about 18 months ago, a year and a half ago or so, and they went to the workshop, they signed up for some coaching, started working with them and they started doing deals and Gavin just really liked working with them and he said, hey, you want to do some deals together? And boy, I don't know how many deals we've done in the last 18 months together, but they're just awesome, their so much fun. They're massive implementers. They're doing deals. And it's so funny to see, not funny, but it was amazing to see their story.

Joe: It's awesome I love it. So we, we interviewed them and we did a Zoom Live so they could see the room and the room could see them. And I just wanted to take out the audio of that, put it in this podcast so you could listen to it and you're going to learn some cool things. One of the things that Carey did was find somebody to go driving for dollars, but he paid them way too much money. \$20.00 bucks an hour, I think is what it was. But still, I don't know would you pay somebody \$20.00 an hour to drive for a couple days to bring you a deal where you make \$20,000 so you're going to learn some little nuggets of wisdom in this. And some of the groups that were there asked them some good questions that they answered.

Joe: Like, you know, do you have to go see the house or inspect the house in person? How do you handle closing, doing deals virtually all that good stuff. So if the audio was a little bad in some parts we, I apologize. We'll try to, I tried to repeat the questions that you might not have been able to hear. Have a good one and if you want more information about our next, if you want to work with us and come to our next implementation workshop, we do maybe once every couple months, maybe once a month maybe where we work one on one with you in a small little group with you setting up your systems, setting up your marketing. We get you a cold calling campaign. We get you the VA's, we get you set up in our CRM's, and our systems and our websites and our phone systems and get you the lists and the skip tracing and all of that stuff.

Joe: We save you a ton of money to because we get big significant discounts and it's cool. We'll partner with you on deals. The way we do this, it's not exactly coaching program, although it is kind of a little bit of coaching, but it's mainly like, listen, we want to do more deals and so we're looking for folks to do deals with, come bring them here to St Louis. We get everything set up, you leave hitting the ground running. A lot of our clients actually get leads while they're there at the workshops



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so it's a lot of fun. If you want more information about coming to the next one. Go to CoachJoe.net CoachJoe.net to get a little video there me and Gavin talking about it. So enjoy. See ya.

Gavin: Right guys, how are we doing?

Carey: Good how are you?

Gavin: Yeah. Good. Appreciate you joining us workshop in St. Louis, here's Joe,

Joe: Hey!

Gavin: Here's everyone else. Guys say hello. I appreciate you joining us. I'll turn it around so you can talk to them in a second. I think it's important, obviously me and Joe stand there and talk about deals and we've all been to seminars, even though this isn't this style coaching program, but we got a lot of flack in this business. Are we doing deals? You know, are we actually making this money, doing these checks? And sometimes there's no better way then actually coming from somebody else other than me and Joe. So we'd been partnering for over a year. I was just sharing that first deal Driving For Dollars, right, Carey's first deal.

Carey: Yeah. Pretty much. That was in fact, it was almost too easy. Deceptively easy that first one was.

Gavin: Yeah, I know. Tell us a little bit about it. So how did we find it? Why did we do? So now this one was the newest strategy. We've had the cold calling going, but in terms of the lead jam, what did we do to find this deal?

Carey: Actually advertise on Craigslist. I was looking for people to drive and do some, some, uh, I guess I called it property surveillance, and I found somebody willing to do it, offered, offered to pay \$20.00 bucks an hour for them to do it, plus a percentage of acquisition bonus. And so she came out and did it and make a long story short, that particular individual didn't work out long term. I think she only drove for 12 hours total. But this one I told her which neighborhoods to drive and she drove. I think she got this one on her third day. So she submitted a batch of about 30 prospects that day. We, I sent the list to you, you did the skip trace on



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him and then the VA called him and he said the note said that he wasn't sure what he'd asked for it.

Carey: I didn't, but because that was literally the first Driving For Dollar lead that got, that where we got a response back from the VA. And so of course I followed up on it right away and scheduled an appointment to see him. We saw him the next day and saw the house and the condition it was in. You want me to tell a little bit about his situation, why it he was selling?

Gavin: Yeah.

Carey: Okay. They had already moved out. That was the reason my driver wrote it down it looked, obviously vacant, it was a time of year where the leaves had covered the driveway and all those leaves and all those leaves were just undisturbed, so you could tell it was obviously not occupied, but it had only been, they'd only moved out three months prior because of a death in the family. They were having to have their father, his father in law, the wives father move in with them in that place that they were used to live in, had stairs.

Carey: And so they've got another place and they had already moved. And they had, they had started to do some demolition work to do some improvement on it. You could tell where they had taken some walls out. But overall, I mean it was still descent condition. Dated you know, the kitchen needed to be totally updated, but you know, they had done their math and figured they would have to spend about \$50,000 plus all the sweat equity to finish it and they were just tired of it at that point. And he was, when Melissa and I were visiting with him, he just told me the number he wanted and I knew right away in a certain, you know he's asking a pretty reasonable amount given the condition so we didn't even try to negotiate, we just said, well if that's what works for you, then let's try to make that happen. And that was before the holidays and before the government shut down. So there were a few delays getting into closing but about seven weeks later we closed and collected about a \$20,000 spread on that one.

Gavin: Yeah, no, that's awesome. And it was good, you could say it was lucky because obviously we got, we got that deal fast right when it was the first one in, we got it and we didn't have to negotiate too much. There's a thing, you've got to be in it to win it, right. So by going through the process, sorry, carry on.



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- Carey: The only thing I was going to add is, it was interesting because he sat across from the closing table. They both said, you know, we feel that this was God's timing because, you're a call came at a time where we were asking ourselves, what are we going to do with this? Well, what I found interesting was he also said, hey, I just got a postcard in the mail from somebody else yesterday who took a picture of my house and mailed it to me. So we got competition out there, you know, doing the same thing we were doing we just happened to get there first.
- Gavin: Absolutely. That's awesome. And how, how have you been with the VA's and the process, how it's changed from, obviously you guys would were big direct mail. We've gone into cold calling now, it's changed a lot. Well, you know, what do you think to the whole setup, the system that we're running now compared?
- Carey: I love it, I'll let you speak to that.
- Melissa: Yeah. So funny enough Gavin you were all, you know, I was dead set there's no way cold calling is going to work. We had that conversation and I thought this is never going to work. Nobody else was doing it around here at the time and of course I was very wrong. Now I don't see why direct mail works, yeah it's just so much better like the system. I told Carey a lot of times that we would not be where we are had it not been, obviously for partnering with you and having all your systems in place because that's what we were missing. We could generate leads all day the hard way. It was having the system to follow up with those leads and know what to do with and we were just covered up and when you came in and put all the systems in place it was like wow that's what we were missing.
- Gavin: Oh, absolutely. Well I appreciate but obviously it's down to you. I say every day , you know, me and Joe talk about it as well. There's still heavily relies on you guys to be, to making money. You know you have the contracts, you're the one that's making the spreads right. So they go hand in hand. You can't have one without the other. On average I mean what would you say out of all that come in, how long does it take? How much follow up do we do to actually get these locked up? Would you say on average?
- Melissa: Probably average I touch them. I mean their are some, we've touched once and there are some we've touched over a year, but generally probably about six to eight times in one way or another, just continued follow up. So if I don't, you know,



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the VA, they're kind of warmed up a little bit, but we can't agree on a number or they're just not ready, then I'll follow up with them in a month and then two months, three months and six months and a year. As a matter of fact this week we've had two people come back to us that we touched a year ago and said, okay, now I'm ready to do it.

Carey: A lot of it, you can just sense of urgency when they're ready to do something, it's just a matter of making those touches just to see where they are. The vast majority of times you just kind of get stonewalled or like leave me alone. You know, you just, you just put them in the follow up and touch them eventually they trickled through the funnel and you get your volume that way.

Melissa: And I think the thing that I've gotten a lot of, and especially this week with the people that have come back a year later, I actually asked one of them, why on earth, it's been so long, did you call me back? And the response I got was, because you were the one who actually called me, followed up, you didn't push, you didn't try and make me sign. You kind of worked with me and listened to what I needed and when I said I'll call you when I'm ready I said, okay, is it okay if I follow up with you later? And they were like, sure, and you followed it up. And I still said no, but they came back. So I get a lot of pushy wholesalers out there and who are sign, sign, sign, sign, sign and that's all they want is the contract.

Carey: Or they get somebody that calls once and they don't hear from them again.

Gavin: That's a common thing you know. I tell these guys all the time that we'd probably do in the last year, like four deals if we didn't follow up or we would have been out of business.

Melissa: Yeah, absolutely.

Gavin: Nine months ago. So now that's awesome. Well, I'm going to do just real quick, I know we're super busy. Well, I've got one more question. Just tell us, you don't have to say addresses or anything, but do you have going in the pipeline right now? In closings and contracts? Just roughly.

Melissa: Like, how many? We've got one actually just sent out a contract last night. Two contracts that I got back last night. I got one back from Augusta. We've got one that



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Jeremy saw, just put it's name here. I just picked up another one today that we agreed on she'll sign this afternoon. I've got one, two, three being inspected and then two closing with a hedge fund.

Gavin: So we got a lot going on.

Melissa: Just a little bit. Okay.

Gavin: No, that's awesome. I appreciate what I'm going to do is I'm going to swing you around, see if these guys got any questions they can fire at you because it's like I said, it's important for these to be seeing it from somebody else. You know that what we've actually got going on. So Joe, might have some questions as well. So I'm just going to slide this around. So guys do you guys have any questions? No, everyone's gone crickets.

Carey: It's getting to be lunchtime.

Joe: Yeah, it is. It is lunch time soon. But any questions because I have some? Yes?

Man: You mentioned that you work with hedge funds. Can you give more details on how you got that structured and what kind of process they require to submit information to them and how that process all takes place.

Joe: Did you hear the question?

Melissa: Yeah, I think I did.

Carey: First of all, and I'll just let Melissa answer the question for real, but I'll be somewhat real and somewhat seriously be prepared if you're going to work with hedge funds to lose your religion and with that I'll let Melissa speak.

Melissa: Yeah, I say all the time, they will drive you to drink very quickly. So, all hedge funds that we've encountered so far have been a absolute nightmare. They are very hard to get in touch with. But if you ever get the right person where you can submit the process for submission is easy, but typically getting passed that. So they will typically make you a bid they're going to drop the price or just either drop the property all together, they pull out at any minute. It looks like a good deal because



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you're going to make a lot more money with the hedge fund. But there's just so many more processes and hoops and headaches to go with it.

Melissa: The thing I will caution you against because we've done it is don't get too tied up with sending a lot of properties and thinking your going to make a ton of money with the hedge funds because you'll lose sight of doing deals with your local buyers and it will quickly eat your lunch. We'd been there, we did it, we got caught up in the funnel and the money was coming in it was great and we had this processing. But when they stopped they stopped and they don't care who they offend and who loses what, when they're out they're out.

Carey: They are an equal opportunity offender. This topic itself can be an all day, all day...

Gavin: And I'll just add to that. I mean you have to put in, you can't just assigned deals you've got to close on them, you need to bring money in so many more steps and you can't get up to the chain and make the decision. We've done pretty good but we've lost, in terms of time, I mean we lost to be honest. What did we lose 12 deals?

Melissa: Oh I know for sure we lost 12 but it was probably closer to 20.

Carey: Yeah, three steps forward two steps back. The deals that you do close on, some are really, some of those margins we couldn't have got elsewhere and then sometimes they'll turn around again and you say really at the best she can do, but we're just playing by their rules at that point.

Melissa: Yeah. So I mean it's good to do deals with them if you can just be prepared, make sure your contract is so that you can be prepared if they pull out that you can do something else with it or either you let your seller know upfront.

Carey: Yeah, your contract with the sellers is what you need right.

Melissa: Yeah, contract's got to be right.

Carey: We had to change that contract with sellers. We had to let them know, look this could be good, we could all be happy or we could all be deflated. So we just give



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them the heads up whenever we know we're going to try to move it to a hedge fund.

Gavin: Yup. Because just to add on to that certain criteria, when we talk to them about controlling the buyer, that's one thing you can't control with a hedge fund. Because your real small and it's all volume, so there's no controlling them and that's a problem in this business. If you don't have control, normally you will lose. And I mean we win sometimes we lost a lot. I mean it was never money it was only projection, right. So we can't say that we lost money because we never had it. We were ready to close and to sign, we're talking, we were just waiting on the dates and they still pulled out.

Melissa: So we didn't lose a lot of money, not knowing that they were about to pull out. So we didn't actually lose the money we just lost a lot of time.

Carey: Yeah. One reason for that, it was the end of the year last year and none benounced to us at the time is when they're investors, they're mega million dollar investors can sometimes freeze their funds and that's exactly what happened. So when I say equal opportunity offender, everybody who was in the pipeline along with their agents, everybody just got get left out in the cold with those dudes. So it wasn't just us, which is why we didn't take it personally because everybody we were talking to were totally affected by impacted by that.

Melissa: So the very quick version, if you're going to try to deal with hedge funds, deal with them in the first two quarters of the year and leave him alone in the last two quarters. Because you never know when their money is going to bail and they have good money for the first two quarters after that all bets are off.

Gavin: Absolutely.

Joe: Any other questions?

Gavin: Yeah, how many do we close on the phone? How many contracts do we got on the, on the phone versus going out?

Melissa: 98% of like I've yet almost all of our contracts on the phone.



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Gavin: Yeah.

Carey: And I think a lot of that has to do with your price range in the neighborhoods that you're dealing with. I would say somewhere in the about the \$75,000 to \$150,000 at least here in the southeast. That price range, Melissa handles a lot and does all that on the phone.

Melissa: Yeah, typically, if we're getting into the higher end properties, like \$300,000, \$500,000 and up, they're not going to want to do a contract on the phone. Obviously those are large deals, so, but those are, are also a few and far between. So typically you're going to have your bread and butter rental properties or like you said, you're \$50,000 to \$150,000 properties and they're usually pretty easy to work with.

Melissa: So I try to lock up everything on the phone. It doesn't always work sometimes they're just adamant that they want somebody to go out and look at it, but I already know upfront, I have already told them what my offer is and that going out there may not change that. So, I mean there are occasions where they just want me to see it first.

Gavin: Yeah.

Women: Hi, I'm Jane, are we still using people for Driving For Dollars?

Melissa: I couldn't hear.

Gavin: Are we still using people Driving For Dollars?

Carey: We are.

Gavin: It depends. If you have Carey's budget, we're not.

Carey: Yeah. I got shited for making a decision on some of those. But we do and we're kind of, I've got probably I would say six out there now. When I say out there, I mean people that have submitted leads haven't done a real aggressive Driving For Dollars campaign. I will say that Craigslist ad, when I advertised \$20.00 bucks an hour, I got about 50 responses to that in two days and I couldn't, I had to take the ad down.



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- Gavin: Yeah. So we felt, well, we went in a little high, you know, so we're going to try and do \$10.00 an hour or probably \$7.00, I would think. Well, yeah, it, and again, he's trying to control the lead flow. (Inaudible) Yeah and controlling, I mean Carey did a good job of organizing that and show it mapping where we wanted them to go, where to be driving, but you have to be careful someone working \$10, \$20 bucks an hour, they'll drive all day for yeah. You know, so you'll have to track that, but it's a great list. As much as we joke with Carey about that, we still did \$20,000 on the first deal from it, so it paid for itself.
- Man: So if you lock up a contract on the phone, kind of what's quick, what's the next steps? Are you going to take photos? How does the showing work? How does getting photos for the buyers work, or do you even do that?
- Melissa: Yeah, so it kind of depends on the area a little bit. Like in Mississippi, I have a girl that we'll pay \$50 to go take pictures and then after that I'll just mark the property down there. But honestly in Mississippi it's pretty much all in hedge fund market so I don't really have to do a lot of inspection. In Alabama we have a guy that we pay a percentage, a small percentage, he'll go out, take pictures, do a walk through video. He markets the property, finds us a buyer shows it and you know, once we get a buyer just send it to closing.
- Melissa: So, but now there are properties that we do go out and see, but they're typically the higher end properties. So you know, if we're talking about a \$200,000 and up property, we're going to go out and look at it ourselves. Because typically those sellers aren't just going to want somebody random to go in and take pictures.
- Gavin: Yup. Any other questions?
- Joe: Yeah, we appreciate you guys.
- Carey: Yeah, it's our honor and a pleasure to be a part of all this, even though it was not planned.
- Melissa: Yeah, hey Joe.
- Joe: Yeah?



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Melissa: Flu face here, just remember that. I want a disclaimer when you throw this video out everywhere.

Joe: Didn't she see I wore an Alabama sweatshirt the other day?

Melissa: Yeah, that doesn't matter to me. We like Mississippi State we don't care about Alabama. We're going to have to send you a Mississippi State sweatshirt.

Joe: If you do, I promise I will wear it on my next video.

Melissa: I'll get you one in the mail.

Joe: Alright. Awesome. Hey, thanks guys,

Gavin: Appreciate it guys. All right, thanks. Bye.