



www.RealEstateInvestingMastery.com

1131 – Why Wholesaling Is Becoming More Difficult & How To Profit Regardless

Hosted by: *Joe McCall*

Guest: *Jerry Norton*

Joe: What's up, guys? Joe McCall, Real Estate Investing Mastery Podcast. You're in for a treat today. We've got a special guest all the way from Puerto Rico. His name is Jerry Norton. And we're going to be talking about on this podcast here how to, you know, it's becoming harder and harder to do wholesaling. Wholesaling is my favorite strategy. If I were to start all over again, I would I would do wholesaling. And we're going to be talking about that with Jerry Norton. He's been one of the premier experts in the industry on wholesaling and fixing and flipping, and I really love getting his advice. He's got an amazing YouTube channel and he's been doing this business for a long, long time, very successfully. And he's going to be our guest today. We're going to be talking about how to wholesale deals in a increasingly difficult market. It's getting a lot harder and harder to do these deals. We're going to be talking about the right way to do it. And he's got a special gift that he's going to be giving you. There are four important disclosures that you need to be making, whether you're a realtor or not. There are four important disclosures that you need to have in all your deals, your wholesaling deals, and we're going to be covering that. And he's going to give you a link or pretty soon there. Later, after we finish recording, there will be a link in the description down below on how to get these disclosures for free. So check the description down below on YouTube. All right, now, real quick, this podcast is brought to you by my book SLO Class Dotcom. Now we're talking about wholesaling. This is a book about lease options. It's about a way, different way to do deals. A lot of times when you are marketing for sellers, you're going to find a seller lead that doesn't have a ton of equity. Maybe they, you know, the house is worth 300 grand and they owe 275 grand. Well, that's not necessarily a good wholesale deal, but it might be a good lease option deal if it has a little bit of equity, if it has a little bit of cash flow, maybe you can get it under contract as a lease option, turn it around into an Airbnb, be a short term rental or maybe even a lease option as well. So this is a book I wrote. You can get it for 100% free. There is one string attached. If you go to a low class icon, you have to watch my webinar and after the end of the webinar, it's a masterclass on how to do these lease option deals. Then you can get the PDF of this book for free. All right, so go to SLO class dot com, SLO class dot com. Check out



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

the book. One more thing. You can tell by my background that I am not in my home office. Actually I am. I decided to wear my Hawaii hat and I decided to pretend I'm at the beach. This is not a green screen. It's actually a new studio thing that I have. It's a projector that's shooting up into this nice, expensive screen that I have. And because Jerry Norton is in Puerto Rico, I thought, man, I'm going to be at the beach as well. Speaking of Jerry Norton, let's bring him on. Jerry, how are you, man?

Jerry: Good, good. That beach looks amazing. It does.

Joe: I have a better view of the beach than you do.

Jerry: Yeah, you do. That's terrific.

Joe: I'm in Saint Louis, Missouri. For those of you that don't know, Jerry is in Puerto Rico and he's been there a little over a year or two now, is that right?

Jerry: Yeah, it's been a year this month.

Joe: And has been working out. You like it?

Jerry: Yeah, I've learned a lot and love it. Yeah, it's a transition. It's been a little challenging for my wife for some things. Like she misses home a little. You know, the kids. The kids have adjusted. Amazing. They love it here.

Joe: Wow. Nice. Yeah. So that's good to hear. And you're still do deals in Puerto Rico from Puerto Rico, rather?

Jerry: Actually, no difference whatsoever from my home office in Arizona, just looking out the window at a different view. But the business is the same.

Joe: Nice.

Jerry: Well, I'm doing stuff here now too that I wouldn't have been doing just from being here and figuring things out. But yeah, yeah.

Joe: One of the people who don't know why Puerto Rico, why did you move there?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Jerry:** Well, so the IRS offers some pretty hefty tax incentives if you move your family, your life and your business to Puerto Rico. So it's pretty incredible. You got to meet all the guidelines, right. But if you do, then you pretty much you're at a 4% income tax, 0% capital gains to live in the Caribbean. Right.
- Joe:** Let's change the subject. That's depressing. No, it's actually good for you. That is awesome. Man. I used to joke, Jerry, that I hope I pay. I want to pay \$1,000,000 a year in taxes. That was my that was my thing. But it's not what you make. It's what you keep, isn't it? Right.
- Jerry:** Yeah, that's so true. I mean, there's lots of ways with real estate to offset some taxes, but, you know, if you're really into flipping and wholesaling, then you hit that ordinary income pretty heavy, pretty high. And so, you know, that's just been my roots and my the bonds of my business. So I've always been in these high tax brackets. So this was a great solution for me. It's not for everybody, but it's been a great solution for me.
- Joe:** Well, you're giving yourself pretty much a huge raise.
- Jerry:** Yeah.
- Joe:** You know, and you don't to share your numbers. But it's significant, isn't it?
- Jerry:** It's significant, yeah. It's millions. Yeah. And it's, I mean, I call it a time machine or like another way I look at it is, is I basically doubled my income because I was in almost a 50% tax bracket. So I've essentially doubled my income. Without doing anything different.
- Joe:** Kind of way. Living. Living near the beach. Yeah. That's awesome. You could be all right. So you've got a huge YouTube channel. It's called Flipping Mastery. Right. And I'm sure everybody here has heard of you. But talk a little bit about your story, your history and what, you know, what do you do right now on your Flipping Mastery YouTube channel?
- Jerry:** Yeah. So it's it's primarily focused on wholesaling and fix and flip. And so because I'm kind of like all things flipping, I don't want to be a one trick pony where I just do wholesaling. I started out that way. Great barrier to entry into real estate, like a lot of people do, is still kind of the backbone of what I do because I love it. If you don't want the deal, just wholesale it, make ten, 20, whatever, and move on. Right. So I try to be selective and take on deals that are high margin. That's kind of my big thing is, is if you're going to take a deal on the fixed and flip, make sure you've got good margins on it because it's the same work to do a small deal as a big deal. So why not do bigger deals and then kind of wholesale everything else? So yeah, on the YouTube channel we teach pretty much all things



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

wholesaling and flipping. I put a lot of effort into the content to make it relevant, especially today. You know, I think the way we do the business today is much different than even a year ago, two years ago. And so I'm constantly trying to develop and adapt and so I share that journey. So the things I share on the channel are basically what I'm doing, what I'm learning, how I'm adjusting, and then ways to do that in a way that's efficient, effective, and is working. So that's kind of what I do on there and it's been great. You know, we have a coaching program out of software and some other things, but my heart and soul is in providing content that people can apply and see results as quick as possible, which is coming. And I know you're this way when you're in the education space. I mean, there's nothing more rewarding than seeing people apply the things you teach and then see results. And that's that's kind of like what drives a lot of this is, you know, just seeing it work and have people tell me about the success they have. That makes it all worth the effort you put into it.

Joe: It is amazing. So if you guys have not seen Jerry's channel, you need to go to YouTube and subscribe and watch his videos. He's got a lot of really good Watch Me videos, watch me talk to realtors, watch me make an offer. Watch me negotiate a wholesale deal. Yeah, super educational. You can get tons of value, I tell you, when you get his channel, get your notepad and paper and take some notes. He's got some really. Good stuff in there. I'm real jealous of Jerry, too. You did an Instagram story, video or whatever yesterday where you were doing planks with one of your kids on your for 2 minutes.

Jerry: I didn't make it the 2 minutes. Yeah, I got. So my daughter laid on my back. We work out together, her and I, every day as she's she's 15. So we kind of had this bet that I couldn't do a two minute plank with her, like, on my back, but she was, like, rocking, so it made it really hard.

Joe: I work out with some friends in the mornings. I've been doing it for six months, maybe close to seven months. We get up, we meet at the gym about 5 a.m., wow, six days a week. And I've been slowly getting to where I can do a plank for a minute the first time. I can't do it the second or third time. But man.

Jerry: Those are those are killer man, aren't.

Joe: They? It's crazy how.

Jerry: Hard it is. Yeah.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** All right. So back to wholesaling here. The it's gotten harder in a lot of ways to do wholesaling now, not just from the legal things. And I want to ask you about the legal things in a minute here. But, you know, interest rates are going up, inflation is going up. There's a lot of people really nervous that the market where it's at, the housing economy and all of that, everybody's getting a little nervous. Are you finding it's it's harder to do wholesaling in a market like this or does it even matter?
- Jerry:** I mean, honestly, I don't think it really matters. I went through the the big down market through the crash and all of that. And I didn't let it stop me. I still wholesaling and I still fix and flip. I mean, the way I did it was way different and had to we had to adjust quite a bit. I mean, I remember I remember going through three or four buyers before one could actually get a loan and close, right?
- Joe:** Yeah.
- Jerry:** So those were different times. But you know, if you think about it, my perspective is as long as human beings live in houses, there is always going to be our business because people are going to trade. And as long as people are trading houses, we have a business because they're going to want it. People are going to want distressed properties, they're going to want nice properties. People move around. And so we always have a business the way we do things though we have to constantly be adapting. And I think that's the one thing that's allowed me. And like people I know that are really successful in the business is they're quick to adapt to the market changes. And so the people I see that really struggle is they learn a technique or a strategy and they just hang on to that and they, they just resist change. They get resentful about it. They don't really want to. They want to find something that works and then never deviate from it. And that's not the that's not real estate. You have to be not only have to be ready and willing, but like eager. So I, like, look for the ways to be the early implementer. Right? I'm always thinking, okay, what's the market doing? And how can I be the first to market or an early implementer to just because everyone that's first always makes the most money because they figure things out fastest.
- Joe:** Right. Yeah. Well, that's the great thing about real estate, too, is because you have time to figure out with the market. It's not like the stock market where it turns on a dime and all of a sudden it's like it's down five, ten, 20% within a few days. The housing market moves a lot slower. So you have time to adjust and figure out, okay, well, maybe these higher end homes aren't the best deals to focus on right now. I'm going to focus on lower, more affordable homes or whatnot.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Jerry:** And Joe, I mean, that's why I like the wholesaling things that are going on right now. Some of the regulations like I'm not looking at that from a fear perspective as in like, oh my gosh, this is going to ruin us or not, what do I do? Or I'm going to go do something else? It's more like, What are they? Let's learn them. Let's figure it out and then let's adjust and keep going. And honestly, what happens is, is the cream rises to the top and everybody else kind of falls by the wayside that aren't willing to really figure it out and adjust.
- Joe:** It makes it does a couple of things when you get the regulations and we'll talk about these regulations here in a minute. But like it helps the experienced wholesalers who know what they're doing to rise to the top, do more deals. And it helps it hurts people who are doing business the wrong way unethically to kind of become irrelevant, doesn't it?
- Jerry:** Yeah. I mean, irrelevancy is the kiss of death. If you if you become irrelevant in your market or in your business, then you're not you're done. You have to the wholesaling and flipping and real estate investing, you reinvent yourself every deal. I tell people, every wholesale deal you do, you're out of business because now you got to do another deal to make money again. So, you know, there's systems and processes, right, that we try to implement to kind of kind of reheat things. But if you really think about the business model, you you got to do another deal or to do another deal. What does that look like now, given technology, the environment, the political, all of it. Right. Regulations, everything. What does that interest rates, how is everything impacting and then and then adjust. But as long as you truly believe that there is always buyers and sellers in the real estate market, which how is there not people live in houses, right? So to me it's just like a game. Now let's just play the game and win the game.
- Joe:** Yeah. I remember when the market crashed in 07 08 09, a lot of people went out of business, went into foreclosure. But except the wholesalers, right? The wholesalers, they adjusted. They figured out some mutual friends of ours. Yeah, we know. Back in the day they figured out. Right. Well, listen, people always need a roof over their heads. There is a lot of money still coming in the market looking for deals. And there were a lot of deals there. So you just you just the trick is finding what the buyers want and then going and getting it for them. Right. That's it.
- Jerry:** That's it. That's the game.
- Joe:** So it doesn't matter what direction the market is going, there's always going to be demand. They're buyers. The prices may go down. But that's the great thing about wholesaling. We're just trading paper in a certain sense and so we just get the properties under contract at a lower price.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Jerry:** Yeah. I mean, I remember wholesaling at 65% less for repairs. Remember that formula?
- Joe:** Yeah.
- Jerry:** I mean, the market was down. That was the formula and that's because it was riskier. So you had to have deeper margin and buyers wanted bigger discounts.
- Joe:** You still found deals, though, even though it was lower.
- Jerry:** Yeah. And now we do deals at 85% less repairs in a lot of markets. It's insane.
- Joe:** It's just that percentage number that changes. Yeah.
- Jerry:** Yeah. But there's still people that want deals always. Yeah.
- Joe:** All right. I've got a question for you. I saw something from a mutual friend of ours, Cody. Our Cody Hofhine. Okay. He did a little story and he was talking about when do you decide to fix and flip a property or wholesaling? I love I want to ask you that question and I'll tell you what he said. But, you know, you you got a deal and you're thinking, man, I can fix and flip this. But with the interest rates going up, inflation, things like that, what makes you decide whether to fix and flip it or to wholesaling?
- Jerry:** So I look less at market conditions with that question because fixed and flip is still very transitory. It's still fast like you're in a deal, max six months, right on a typical fixed and flip. So you're not going to get stuck with a property where there's this massive market correction. I don't think now it could happen, but I don't think that's what's happening in the marketplace. There's basic supply and demand issues where we're not going to see that. We're just not. It's just it doesn't matter about the interest rates if there's no houses to buy. In fact, it's driving buyers right now because they're thinking, I better buy before rates go even higher, so let's buy now. So we brought in even more buyers, I think. So it's less about that with fixed and flip. Now, if it was a buy and hold play, maybe I'm thinking a little differently like, oh shoot. Am I buying it? A top. Is it going to drop in a year or two years, three years? That's a different analysis. But for fiction flip, I look it more around the margins than I do around interest rates or economic things. I'm looking more at the margins. And so my filter is I use baseball as the analogy. I only want to fix and flip a homerun deal. Everybody's definition of a homerun is different and you have to decide what that looks like. But for me now, a home run deals minimum six figures. I will. I don't want to touch it. Now, I've got some exceptions, but but basically speaking, it's just as



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

much work to do a fix and flip and make 100 grand as it is to make 25 grand. So I don't want to tie up my bandwidth, my team, my resources, my capital. I don't want to tie that stuff up on a very small margin deal. So my philosophy is fix and flip. The homerun deals don't pass those off to and make ten or 20 grand. Keep that one. Make the 50, 60, whatever your threshold is for a for a homerun. But then all the singles, doubles and triples that come in because you're going to get those two where the margins just aren't there. There's another flipper that will be happy to make 25,000 on that deal, wholesale it to him. You make the ten, 20,000 or whatever and you're done. So that's the, I believe, the right way. The way to maximize your efforts in the business is to combo wholesaling and fix and flip. I think really just do one or the other are leaving so much money on the table because wholesalers are passing off really amazing deals that they should figure out how to do and fix. And flippers are saying no to deals that they can easily wholesale. If they just learn how how to wholesale. Right, because a deal comes in and they're like, you know what? That doesn't quite fit my margin. They say, No, well, why are you wholesaling that deal for ten grand or whatever? Yeah. So both both people who only have on the blinders are leaving a lot of money on the table.

Joe: Yeah, that's really good. I like that. Sometimes it's better to make a quick nickel rather than a slow dime. But when you get to homeruns, that slow dime is actually can become a quarter more. Right.

Jerry: Put it this way. I mean, if you think about it, I think most people could manage one fixed and flip deal a month on average. Now that means you're going to have a couple at different phases. Right. But but if you think about it, if you closed on the sale of one fixed and flip a month, that's 12 a year. That's not that's not impossible to manage. 12 fixed and flips. Well, if those fixed inputs made on average 62,500, that's a \$750,000 net profit on your fixed and flip deals. I call that your get rich money. Well, while you're doing those, if you wholesale out the singles, doubles and triples, you don't take those on and tie yourself up. You're not doing 50 deals a year. You're doing 12 wholesale those. And maybe those are average and let's say another 10,000, you do two of those a month, you just added another 250,000 to your business. That's \$1,000,000 profit model, right? Doing doing a couple deals a month. It's pretty amazing.

Joe: Yeah. One of the things that Cody said that I liked and what made me think of this, because it was just this morning that I saw him talking about I love Cody.

Jerry: He is. He is.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Joe: He's a beast. So he's you know, his idea was you. If with the uncertainty in the market right now, when you're looking at a deal and you're trying to decide whether to buy and hold it to fix and flip rather fixed and flip to do wholesale or fix it. And I thought he had a good strategy behind this. And I wanted to know what you thought. Basically, like, you should fix it. You should buy it to fix it. If you have multiple exits. So if for whatever reason, you can't sell it for the price that you're hoping for, you could at least still hold it as a buy and hold rental. And it still makes sense. Okay, so it still is cash flows. What would you say about that?

Jerry: Well, I mean, to me, taking on I get that strategy. It's a really smart way to think about it because then you either win or you win, right? Like you're figuring out how to have a plan B on your deals. And I'm all for plan B. Me personally, I would probably firesale a property and not make any money on it, then keep it and build out a rental portfolio. Just because rentals to me are an all or nothing thing. It can't really be a side thing. I think now people do it, but I think if you're going to do one rental, you better plan on doing 100 rentals. Nothing's worse than having five rentals or ten rentals because you don't really make money with five or ten. You got to have 100 like single family. No. To really have an impact, you got to have a lot of them. It's not just a1z to Z thing. And so then you got to get set up for it. You got to have good property management. You got to be able to deal with the issues. You got to be able to then manage those assets. And I think people are either you either got to be good at managing assets and a lot of people aren't good at managing assets. I'm not and I recognize that about myself, which is why I don't I stay in my lane, which is flipping. I have some but they're they're luxury and they're like rent money. I've got one that's 25. Thousand dollars a month. And my my pity on it is 13,000 a month. Right. So it's a luxury house that cash flows mad. But my point with that is, you know, if you're going to take on rentals, then you've got to dedicate a portion of your mental capacity to really manage those assets well or they will bleed you. And I know a lot of people, most people I talk to that have a handful of rentals, those rentals, they hate it. They I mean, nine out of ten people I talked to are like, oh, my gosh, I hate my rentals. I hardly talk to somebody that says I love them unless I talk to the guy that's got \$200 because he's built a model around it and he really knows why.

Joe: That's why my favorite list to target and market to are tired landlords.

Jerry: I love tired landlords beaten for two reasons. One, you're dealing with an investor so you can cut the crap and get right to the numbers. I love that. I don't want to hear your sob story. Yeah, yeah. That's I mean, I shouldn't say it that way. Right. But with with retail, you got it. You got to let them cry on your shoulder. You got to try to find the motivation with tired landlords. It's like, here's my number, take it or leave it. Great. I like that number.



www.RealEstateInvestingMastery.com

Let's go close. You know, it's all of the emotional stuff is gone because they're investors. Yeah. So anyway, I love the tired landlords. Yeah, right.

Joe: There. Is there? There sure are. And they burn out. I remember when I got started doing postcards way back in 2008. I remember thinking at the time Chris Chico was teaching, he had a course called Absentee Owner Profits, and it was all about sending postcards to absentee owners. And I remember thinking, Man, everybody is marketing that list. You know, everybody's using this poster. I would complain about competition back in oh eight, and I was and I was saying the same thing. You can't buy deals at \$0.70 on the dollar, you know. But like I did is postcards a to that list and sure enough started doing deals from. All right, I want to talk about something that's been kind of a trend the last few years, although I will say this, this is an age old problem. This is actually nothing new. There's always been this fight between realtors and wholesalers and whether you can do deals without a license and things like that. But it seems like at least it's been getting a lot more attention lately where, you know, some states are passing restrictions or they're threatening to saying, hey, you can't do any wholesaling without a license. Can you touch on that? You talked a lot about it. A lot of talk.

Jerry: About this a lot because it's a really big thing happening and it's going to continue to happen. So we need to be aware and be prepared. But I think what people need to really understand is the big picture of what's going on here or what the issues are and having a real estate license for almost 18 years now. My broker's license now for for more than ten. I get it. I understand the perspective that they're coming from. And this is mostly led by NAR, the National Association of Realtors, and a lot of realtors that drive this movement. The argument is that wholesalers are brokering and that there are non principal in the transaction. Now technically contract law says we're not we have an equitable interest because we are the principal on the contract and therefore have the right to assign that contract because it's an asset. And so we have this like legal thing that wholesalers hide behind, right, that we kind of live by and we say, I have a contractual right to assign this contract unless.

Joe: The contract forbids it.

Jerry: Unless the contract specifically in writing forbids it. And that's all contract. That's all contract law. Right. But you got to set that aside for a second. Take be be open minded as a wholesaler. Let your argument go for a second, because that's true. You have a contractual right set that aside, though, and try to put yourself in the other party's shoes. What they're saying is they're saying if you're not actually the buyer and you never intended to be the buyer and you're actually bringing in a third party buyer into the picture, how is that any



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

different than agency? How is that any different than brokering a deal? And the law states that if you broker a deal, you have to have a real estate license and be regulated by the state to protect the consumer because you might do something harmful to a buyer or seller. So we want to regulate you. We want to monitor you. We want to make sure that you don't do something harmful. And so their perspective is they like, yeah, yeah, that's a loophole. That whole contract thing you guys do. What's really happening here is you're brokering and I mean, if you really want to pull back the curtain, it's about the money, right? Because think about it. If NAR could bring all wholesalers under the broker agent model, now, you would be bringing in all of that wholesaler revenue into the split into commission split. The state would be getting money, brokers would be getting money. Right. Agents want to feel like they're competing on deals with wholesalers who don't have to pay commission splits that are brokers and they do all of these things would change if wholesaling fell underneath the real estate commission umbrella.

Joe: And let me add to this, too. I mean, you could argue until you're blue in the face in front of a real estate. Mission that, hey, I'm just this is contract law. But guess who you're arguing to? You're arguing to a real estate commission that's filled with realtors. You'll never win this.

Jerry: Yeah, and there's definitely resentment. I mean, think about it. A real estate agent does a commission on a \$100,000 deal at 3%. They get. They get \$3,000. You and I are wholesaling that deal for ten, 15, \$20,000. Yeah. So can you. You can see where the resentment would come from, of course. And you can justify the argument. Now you can disagree with it and you can say it's not it's not legit. It'll never stand up. I have this argument all the time. I share what's happening and people argue with me and say Contractual law. And I'm like, Dude, I'm not. Don't argue with me. Just understand what's happening, what the other side is saying, and also understand that nor collect \$500 million annually in dues and is the largest trade organization in the in the country.

Joe: But guess what? This is something else next to tobacco. I think they're the number two or number three lobbyist in Congress, the National Association of Realtors, power two or number three, which.

Jerry: Is why it's been so slow to see commission reform. But I'm following I mean, I follow all the court cases they're in, so they're in court with the DOJ and they're in multiple lawsuits. I mean, the the the market wants to disrupt the real estate agent commission model. And I think it's it's going to finally happen here soon where things are going to get disrupted. So it'll be interesting to see what happens. But yeah, you can't take away. You can't take away and you can't turn a blind eye to what's happening. And a lot of people are like, well, you



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

know, okay, get your license or double clothes. It's more than that. You really need to understand what's going on. Big picture, what is the sentiment, what is the feeling, what is the driving factor that these anti wholesalers are doing? And if we're not careful, they could create a scenario that that that pushes us kind of out. And by by being so negative, I mean, there's all this talk about how it's predatory stealing equity from sellers and this stuff is is gaining traction and getting root.

Joe: And let me tell you, I've been there's a local news channel here in Saint Louis, and they've been calling me, asking for my opinion on what's the housing market and stuff like that. And they want to interview me on camera. And I said, no, I'm not going to do that. But I have talked to them on the phone and this is one lady, she's super nice. She was like, Well, what's going on in the housing market? And there's a there's a thing going on right now where people are trying to blame somebody for the housing crisis. And investors are a huge target. Target. And she's looking into this right now. And 3a2 or three let's see here, a three, almost two and a half out of ten homes sold in Saint Louis County right now are sold to investors. Yeah. And there's a certain part of North County where there's a lot of homes are cheaper, a lot of investor activity. It's four out of ten homes are being purchased by investors. And so we're getting a lot of scrutiny right now in the media. It doesn't matter if you're licensed agent or not, but it is the license agents that are complaining about all these investors that are coming in and buying these houses and then pushing the regular homeowners out because there are increasing competition.

Jerry: This is a huge move. I mean, Canada passed a two year restriction on outside investors buying real estate because of investors taxes. Right now, I just read an article that they're exploring that. Yeah, limiting putting putting laws against investors buying real estate. Can you imagine that California's trying to pass a 25% tax if you flip a house within three years, 25% tax on flipping. No, that's not. You buy a house and sell it within three years, which is normal. You pay a 25% tax, are trying to pass that law. So it is a big movement to demonize investors in the real estate market because like you said, it's got to be somebody's fault. So investors are taking the blame for that.

Joe: It's not the government's fault.

Jerry: That would be their fault.

Joe: So, all right. Let's get back to this licensing thing. You have some disclosures that you give away for free on your website, and you gave me permission to share them with you, with the audience right now. So I'm going to I'm going to share them if it's okay. And then we're going to give a link to these disclosures. There's four of them, I think, right there. We're



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

going to give away these for free if you go to the link in the description of this YouTube video. So if you're listening to this on an audio podcast right now, just go to the description on my YouTube channel. All right. Let me I'm going to move my screen down here so I can see this. Let's talk about this first one here, the investor disclosure addendum. I'm going to zoom in some more. What is this here?

Jerry: So this is where I've put all four disclosures on one addendum. Now when you get that download, Joe each of these disclosures each of these four are on a are also get on to a separate on its own standalone. If you want to use one or the other, I recommend you use all four of these and you make this standard part of your of your contract. So on my personal contract that I also give away for free, I can give you that link if you want. My regular contract with sellers. Yeah, these were already baked in there, so you don't need this addendum. But if someone's using their own contract, purchase and sale contract, then they could just attach this to that contract and add it as an addendum. And then it covers these four things. You're seeing them separate. So, all right.

Joe: So these are for one page that has all four of them and then four separate ones.

Jerry: You got it as well.

Joe: All right. So talk about equity release. What is that?

Jerry: Okay, so equity release, I created this disclosure around the argument that Atlanta started when they passed some laws around how you market to sellers. And they came out with this study and they really pushed hard this idea that a wholesaler steal equity and I never heard of that before. They called it equity theft.

Joe: Yeah. So it's, it, it's ridiculous.

Jerry: Yeah. It's like what? I mean there is no the equity is in the unrealized potential for adding value to the property. Right. So this basically says the seller is acknowledging that there are voluntarily there's no coercion. That's what Atlanta said. Atlanta said that sellers are being coerced. Now, the definition, of course, is force against your will. So this is the seller is saying, look, I know that I'm selling this possibly at a discount and I'm doing it for convenience. I'm doing it for speed. I'm doing it because I don't have the funds to fix this property up and I'm waiving any future claim on equity. So they can't come back and say, Hey, you wholesale did, or you fix it up and made money. You resold it and made money. They're waiving their claim on any equity.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** Yeah. All right, good. Next one is profit disclosure addendum.
- Jerry:** Yeah, this is similar to the equity in that it's again the idea that the seller has to know and this is a big thing that the anti wholesalers are saying is you need to be explicitly clear that your intention is to buy that property, to resell it in some way or another or rent it or do something to it to make a profit and that they understand that. So it's very important that we that we're having this conversation and we're having these disclosures with sellers around this. In fact, the reason why I created this one is I did a deal in Maryland and the title company would not close the transaction because they said, my, my assignment fee of 20,000 was too much profit and they didn't feel comfortable underwriting the deal.
- Joe:** And I saw so much profit.
- Jerry:** Profit. Yeah. So I said, well, what if the seller signed off that they were okay, I was going to make a profit and they said that would be fine if we hadn't got that, then that's where this came from.
- Joe:** And now who gets to decide how much is too much profit?
- Jerry:** Not only that, Joe, but what does that have to do with Title Insurance one? Well, I asked I asked my title lady in Arizona that I do a lot of deals with. And she said sellers are actually making title claims on unrealized profit, which so they just want nothing to do with it. Right. They want their nose clean on it. So that's why we have that one.
- Joe:** All right. Assignment disclosure. What is this?
- Jerry:** This one is very common now. In fact, this is Arizona passed a law that is this exact thing. If you're wholesaling, you want to make sure you're telling the seller that you may have signed the contract, even if there's not a law around it, even if it's not required, even if there's not a no assignment clause in the contract, just tell the seller that you might assign the contract and have them be aware of that. This is being now required by real estate agents, title companies. I mean, some states are now requiring this. It's just going to be normal pretty soon that we all have to do this.
- Joe:** You know, this be a bad idea because this is one when I'm talking to sellers, I always tell them, because when I'm negotiating the price, I always tell them, why don't you just list it with an agent? You're going to get more money if you fix it up and sell it with an agent. You want me to refer an agent to you? It's a pull away clothes, right? Yeah. But almost every time you say that, the seller says, Now, you know, I just want to get rid of.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Jerry:** I don't I don't have the time. I do want to say this. I don't want showings. I don't want to go on market. All the reasons. Yeah.
- Joe:** So could you have a disclosure that says, you know, the seller acknowledges that the buyer told them they should listed on the MLS.
- Jerry:** Well so I have so I have one of these disclosures if you backup says I've made no claim on value I think it's the maybe it's the equity one let's see seller any any representations or promises the value of the property seller.
- Joe:** Acknowledges the purchase price may be less than market value and voluntarily agreed to sell property to buyer for convenience. Yeah. Same type of money. Yeah.
- Jerry:** Buyer has not made seller any representations or promises as to the value of property. So this is something that wholesalers have gotten in trouble about. They're telling the seller, Hey, your property is only worth 50,000. Ever say that? Yeah. You know, you can say I can. You know, the number that works for me is 50,000, but I do the same thing. Joe. I always tell the sellers, Look, the way that you're going to get the most money for your property is to get the most eyeballs to see it for sale. And the way to get the most eyeballs to see your property is the listed for sale with a real estate agent pay. Then you're going to pay commissions, but you're probably going to get a higher dollar if that's what you want. Definitely I would do that. If you want a fast convenient as is cash closing that we can do right away, you know, that's me. But I'm going to need a discount, so I lay out both options. Yeah. Not only do I lay out both options, Joe, but I monetize both options because I prefer because I'm licensed. I refer that seller to a license agent and I get a commission split and that's really good.
- Joe:** You guys should rewind this and listen to what Jerry just said and write it down. I think it's super important and it's the it's the right thing to do. It's the ethical thing to do.
- Jerry:** It's the ethical thing to do. If if you the last thing you want is a seller coming back and saying you misrepresented something to them. Yeah, you don't want that. That's that's not ethical and you don't want that. Fine.
- Joe:** Good. All rights agency disclosure. What is this?
- Jerry:** This is a really important one. And this one and a lot of people think, well, I'm unlicensed, so I don't need this one. You do. And so let's let's go through this one by by item. You want



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

the seller to acknowledge that either you are licensed if you are, or you're not licensed if you're not. Which is weird to think, but think think about why. And then let's read the statement here. It says, Seller acknowledges that the seller has not been represented by the buyer or any representative. So that would be your cash buyers. Yeah. With respect to the agreement, seller agrees and understands that the buyer or buyers representatives are not acting as the seller's broker or agent in the transaction and is acting solely for the buyer's own benefit. As a principal to the agreement, Seller agrees to hold the buyer free from any and all liability regarding the property and transaction arising from any claim of agency. Now, what is this doing here? If you're unlicensed, what it's saying is it's it's notifying the State and Regulatory Board, the real estate commission that you are not brokering. Not only are you not brokering, you're stating to the seller that you're not brokering and you're making the seller agree that you're not brokering and aware that you're not brokering. Nobody can make a claim that you're brokering the transaction because you disclose that you're not brokering it. And if you are licensed, you're also saying, I'm licensed and I'm disclosing that I'm licensed. But then I'm also telling you that I'm not brokering I'm not using that license to broker. I'm using the line. I'm acting as a principal in this transaction, not an agent.

Joe: Sometimes when I am using a realtor's contract, I'll use a realtor's contract sometimes to buy a house by owner and to buy it by owner. And so I will actually cross out the section with a Sharpie, cross out the section about the broker, who's your license and all that. And I will write across that section, non brokered transaction.

Jerry: Yeah. It's the same idea. You're doing the same thing. You're making sure it's clear that although you're licensed, you're not acting as an agent in the transaction.

Joe: Yeah. Again, we can get those disclosures by going to my YouTube channel below this video and the description. There'll be a link to one of Jerry's pages where you can get these disclosures for free. Let me ask you about another disclosure that I've heard be a concern or problem to some investors in the past. The the the ability to show and advertise the property before you close on it should that be in there disclosure I know it's already in your contract but.

Jerry: Yeah the that I thought about adding that as an independent disclosure. The thing about that one is that that does vary from state to state. So in my contract I have it it very clearly it says if permissible in the state of fill in the blank because my because I get my contracts out if people are using them in multiple states. So I try to make it a relative relative to anywhere. Some states allow you to market a contract, some states don't. So you want to make sure that you're very you understand what you're allowed to do with marketing a



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

contract, not a property you can never market, a property you don't know. That's always everywhere, right? You cannot say the properties for sale when you are holding the contract. Right. But some states do allow you to market a contract. And some states like Oklahoma and Nebraska have passed laws that say any and all marketing, not just on an MLS or whatever, but any public marketing of a contract must have a real estate license. So those are some of these regulations that are coming down. And what they're doing is they're saying, look, we're not saying anything about contract law. You can still assign a contract. That's not our problem. Our problem is how you're marketing that contract for sale. That's our problem. That's where we want a real estate license.

Joe: Let's talk about the.

Jerry: They hear all of these regulations. They get confused, like, what does it actually mean? Oh, I can't wholesale without a license. Well, it's not that it's. You got to. And what about the wholesaling process that they're having a problem with and you need to do differently and be careful about.

Joe: That's good. That's good. Let's talk about the we're getting on stream here we can see the emojis, thumbs ups and hearts and we're getting a lot of angry a lot of angry faces. Emojis about what? Probably the whole climate right now, these regulations and restrictions.

Jerry: Yeah. This gets a lot of wholesalers, like active wholesalers just pissed off that. Yeah, words are targeted and NAR's coming after us and all this stuff and it is frustrating. I get it.

Joe: But in a certain way it's a good thing too, right? It's forcing us to be more fully transparent, which is a good thing. It is forcing us to make sure we're we're doing the right thing for the sellers and for the whatever.

Jerry: You know, it's interesting because I hear this argument about not getting licensed and how you shouldn't get licensed. I mean, I can tell you I can tell you a handful of ways to monetize your license as a full time investor where it pays for itself ten times over. But just from a perspective of like it's a bad idea to get a real estate license if you're an investor or a wholesaler. And I've yet to see a really good argument that says as to why that's a bad idea. You do have to disclose that your license and everything that you do, that's easy to do. But the argument that really gets me the most is I hear people say, Well, you're held to a higher standard. You have to follow specific rules in the way that you perform in ethics if you're licensed. So my argument to that is so let me get this straight. You want to be shady and unethical and unlicensed. I mean, like, that's not the trade off. We don't that's what we do instead.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Joe: Yeah. Yeah.

Jerry: You should always be ethical and honest and follow the rules and treat people fair and all of that, whether you're licensed or not.

Joe: I have heard the argument and this is from somebody that we both know and respect the argument against getting your license and you're doing and flipping or when you do wholesale and you make too much of a profit. Now, who defines too much of a profit? But you could the argument could be made. Listen, the real estate now, I'm held accountable to a real estate commission or board of ethics or whatever, an ethics board where if I buy a deal and wholesale it, I could have made a \$6,000 commission. But I wholesale it, make a \$20,000 wholesale profit. I didn't disclose enough to the seller. I didn't represent the seller or not represent the board I'm looking for is like I didn't act in the seller's best interest because I'm now an agent. I have to act in the seller's best interest and that's not acting in their best interest. What would you say? Oh.

Jerry: Well, that goes back to that agency disclosure that we just looked at for sure. If if you're not making it crystal clear of your role in the transaction, that argument could be made and someone could say, hey, you're licensed. And rather than sell this property for more money as a real estate agent, which would be what an agent's supposed to do, an agent's supposed to do what's in the best interest of the seller an investor does what's in the best interest of the investor? Which one are you? And as long as that crystal clear in writing, disclose the upfronts, a board can't make that argument. A seller can't make that argument because you're saying, look, I'm my role is to make money and I'm looking out for me, not you, me. And that's how I'm acting right now. So now you need to make decisions based on that. If you think that you're selling the property for too low, you need to get another opinion. You need to talk to a real estate agent, whatever. You should do that, talk to a lawyer, any of those things you should do, because I'm not representing your best interest. So you have to be very specific, very careful, very clear about how you're interacting with that seller.

Joe: I knew a guy in Bakersfield, California, that added into his contract that he might make \$1,000,000 profit on this deal. And that was one of the things he had the seller initial, but I forget the exact language that was actually in there. I might make \$1,000,000 profit.

Jerry: I love that.

Joe: Maybe that's a maybe can add a new disclosure called the million dollar disclosure.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Jerry:** On the profit disclosure. I'm going to sell us to make a profit. And that profit might be \$1,000,000 in. You're okay with it? Yes, I love that. Yeah. I mean, this is what I do with wholesalers. When I talk to cash buyers, I'll say to the cash fire, look, I got this property you're interested in and here's the number. Just say, no, I'm going to make \$50,000. If that's a problem, tell me, because I have other people interested in it. That's what I'm going to make on this deal. And I don't I don't hide that. I don't wait for them to see it. On the on the closing statement. I just tell them I don't care what the number is because I got a deal and you want my deal. Here's my number.
- Joe:** Yeah, that's really good. All right. Very important things. One thing I want to talk about, too, is the means and the intent to close. So like when you come into a deal, I've heard this from real estate investing friendly attorneys saying you need to have the intent. To actually close on the deal coming up front and you have to have the means to close on the deal. So if you want to, you can actually bring in the money to close on the deal. You talk about that. Yes.
- Jerry:** That's why I think all wholesalers should have a double closing as as a as either a plan or plan B, you have to be ready and willing and able to double closed. If you double close to double close means you take down that first contract, which means you fulfill the obligations in the contract you performed. Now, the fact that you resold it 5 minutes later is not the point. You can do that. But you if you're going to say to a seller, I'm a cash buyer, I'm going to buy your property for cash, then you better be able to back it or you better change that language and make sure you're not saying anything remotely close to that. So like a way around that is to say, look, me and or my partners or our investors may buy your property for cash. It may not be me. It may be one of my partners or investors. Right. But you cannot say that and then not actually be able to perform on that. That's unethical. That's dishonest.
- Joe:** Yeah.
- Jerry:** I think and I think a lot of people are looking at it that way because you're not. So wholesaling used to be let's think about the history of wholesaling. Wholesaling used to be like a plan B, it was never an industry. Right. And we turned it into an industry. It's a multibillion dollar industry now, meaning people go into the contract upfront and plan A is the wholesale the contract. It used to be investors would get contracts and oh, you know what? This one isn't going to work out. I'm going to sign it to this guy. But the original intent was to buy it, rent it or fix it or whatever. And it was this obscure thing that people kind of did. Now it's a full blown industry, you know, thanks to guys like me and you teach



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

you how to do it, right. So yeah, now you have to think about approaching that differently with sellers. You cannot be dishonest about your intentions and the court looks at your intentions. It's the spirit of the law, not the letter of the law. So they're going to look at the way you're interacting, the things you're saying, how you're how you're coming across, what message you're sending to sellers. That's what they're going to look at and what's in writing. But they're going to they're going to really look at what do you intend to do? And if you've got no intention, no means no ability to actually close on the deal, then it's going to look it's going to be looked at very negatively.

Joe: I want to bring up two things here. Number one, how how can an investor, somebody new especially get the money to close on the deals? Number one, but the other thing is, you use this. I've heard you talk about this before. It's so good. You use this as a negotiating tactic. When a seller says, now, I got an offer from somebody else. Right. What is the thing that you tell the sellers is so good. What do you tell the seller? Okay, great. You got another offer. Go ahead and take it, but just make sure that. Yeah.

Jerry: So because I can take down deals, that puts me in a unique position where I can step above all other wholesalers that can't. So what I'll do is I'll say, Hey, listen, if you've got a higher offer, good for you, you should take that higher offer. You should get as much money as you possibly can. But I want to advise you, make sure that you're getting an earnest money. Make sure that that that buyer that says they're buying it for cash actually has the cash, asks to see proof that they have the cash.

Joe: And ask them to show you, well, the previous three or four deals that they've closed on where they've actually been on title.

Jerry: Yeah. Now I've shared this technique in the strategy and I get the non-performing wholesalers, the guys that don't have the means pissed off at me. They're like, do that's that. You're throwing me under the bus. Well, no, I'm not. I'm creating a competitive advantage. And you should to figure out a way to where you can do the same thing. Because what is it's not just price that wins, right? It's terms. So I win so many deals on my terms, meaning I'll put down a nonrefundable \$10,000 earnest money. Sometimes I'll put I'll close in ten days if you want. All here's here's proof that I have cash here's deals I've closed. All of that is creating a competitive advantage in a marketplace that's competitive like that's smart so you're done. Joe is seen all of this happened last year I opened up a transactional funding fund because I know and I believe that this is going to become more and more necessary for wholesalers to double closed. So I'm trying to think ahead. I'm trying to plan ahead. So we have we have a program you can learn all about if you go to use Jerry's cash dot com. And if you can you can learn all about that program basically all funds.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Joe: Right there used to I spell it right right.

Jerry: Use Jerry's cash dot com. Basically what we'll do is what I'm trying to do Joe, is I'm trying to get a track record in my fund to then be able to go out and raise big money. So I want to show a lot of transactions. So I'm using my own money, my own fund I haven't gone to to raise money yet. And so we're we're I'll do the first one for free and then lock in at like a 1% rate for from here on out. So I'm going to take, you know, as soon as I get to a certain point, I'm not going to do that anymore. But but it's allowed a lot of people to have that kind. For this to go forward and say, I can't take your deal down, I have backing to buy this property. And that's a game changer when you can actually have that kind of confidence. We have proof of funds. So it really makes it really allows like new wholesalers that don't have money in the bank to really go forward and have that competitive advantage now. Yeah, good. I don't care. Don't use mine. But like, get lined up with something like that, partner. Like, I have some people that partner with cash buyers and if you partner with a really cool cash buyer, they'll and they want you to win because you're bringing them deals. They'll let you use their proof of funds, though, let you use their credibility. And that's just creating strategic partnerships to make you a better wholesaler.

Joe: Well, and this is so good, too, because whether you go to use Jerry's cash dot com or use a local hard money lender, another cash buyer in your market, if they won't lend on the deal or won't want to go with you on that deal, it's not a good deal. So it's a great way to filter the good and bad deals, isn't it?

Jerry: Yeah. Oh, for sure. Yeah. I mean, because the lending people are smart, they're not going to lend on bad deals. So I try to follow the same criteria if I'm using my own cash. Like, what are the what is a smart way to buy into a deal? And that's where I should be. Totally.

Joe: All right. So we've only got a few minutes left here. This has been really good. I hope you guys are picking up this gold that Jerry is laying down. Jerry, do you have to start all over again from scratch? We're talking about all of the how how hard wholesaling is now, or rather how much harder it is now, maybe. Right. If you got if you had to start all over again, you lost everything all of a sudden and you had to make some cash to feed your 20 kids, however many you have.

Jerry: Yeah.

Joe: I have four. I love kids. Good for you. Congratulations. That's really awesome, by the way. Thanks. All right, so what would you do?



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

Jerry:

Yeah. So here's the interesting thing. We talk about how we're in this competitive market today and how it's harder. In some regards, it is, but in a lot of regards, it's easier. I mean, like Joe, when I started, 3 to \$5000 assignment fees were normal. Like that was normal. When you hit a ten, it was like the coolest thing ever. I remember one time doing a \$12,000 wholesale deal and I thought, I hit the jackpot today. That's normal. In fact, like we're doing 20, 25, \$50,000 assignment fees. It's insane. So it's harder to get into the deals, but it's so much easier to get out of the deals because their buyers are overpaying. There's plenty of them financing too easy. So I don't look at now as worse. I look at it in a lot of ways as so much better. We have technology and tools and things that we just didn't have. Yeah, we data and all these things. So but when I go back and I look what I what would I do differently? You know, I started out wholesaling, but I started out like most people, I didn't have the means to really jump into any type of real investing. And wholesaling isn't investing, it's trading. You're just trading. You're not owning anything. Your risk is very minimal. Right. The biggest thing you have at Jeopardy is earnest money. If you even use earnest money, maybe some marketing dollars to that that you could mismanage. Right. But I would follow the same path I did. I think what I would maybe do differently, looking back, no hindsight would be I would have I wouldn't have waited so long to go full time. It took me about a year, a part time in it. When I finally did full time it, I did five deals in the first month full time and made \$52,000 in assignment fees, whereas it took me a whole year to make about 25,000. Right, hustling it. Now maybe I needed to go through that experience and it all worked out the way it did. Right. So I don't I don't second guess how it all played out, but I kind of wonder, you know, could have gotten in the game a little sooner had I had I put all my attention into the business. But the thing that I the thing that I would say to people is, well, you want to be careful of making wholesaling the end game. And I try to talk about this a lot. Wholesaling should be your gateway drug, but not your not your end drug. Right. And because because you are leaving a lot of money on the table by wholesaling. And I think the smart thing would be to continue to transition into other types of investing, other types of deals. For me, what it's found is margin I, I've stayed residential. Some people go commercial and do other things. All I've done is I've gone up into luxury. And Joe, it's been it's been the smartest decision I've ever made because now I'm hitting million dollar profits on some of my deals. And I'm working on on projects that are multimillion dollar projects and deals. And I never would be anywhere near these types of deals where I'm at now had I just stayed a wholesaler doing assignment fees in metro Detroit. Right. So whatever it is, push out of that comfort zone, you know, push out of their comfort zone. I think the thing to do is learn how to raise capital, because when you can raise capital, it opens up so many doors to do amazing things in real estate.



REAL ESTATE INVESTING MASTERY

www.RealEstateInvestingMastery.com

- Joe:** Awesome. All right. We got to wrap this up again. The disclosures that we showed you before will be in the description in a few minutes here below this video in the YouTube description. So if you're listening to this on a podcast or watching it somewhere else, I'll go to my YouTube channel, look up this video and go click that link in the description. Jerry How can people get more information about you? Do you have a good website or you give away a ton of things for free on your channel? What's what's one that you should talk about?
- Jerry:** Oh, yeah. I mean, we have now like over 40 or so free resources. So I'm all about, you know, giving you the tools and resources and education to be successful at this business. So the biggest thing is the YouTube channel, you know, flipping mastery. If you go there and and you can I try to be really organized in the playlists so you can look up my topic thing. So if you're trying to learn how to do a specific thing, there's going to be dozens of videos my team actually spends every day replying to comments with. Watch this to answer that question. And there's a video that answers that specific question because we're now a thousand videos in, right? All wholesaling and flipping. So there's probably whatever, whatever you're stuck on. I probably have a video about like how to do that. All right. Yeah. Yeah, that's I think that's the best way to to be in touch and and learn and get in my world would be through the YouTube channel.
- Joe:** Well, that's very good and awesome. Hopefully someday soon, Jerry, I can go hang out with you for a little bit in Puerto Rico with a real beach.
- Jerry:** Joe I bought a condo on the ocean just for friends and family, so please come this way. You can stay there for free. We'll hang out. I'll take you. Go hunting and be great.
- Joe:** Well, that's another discussion for me. All right. Thank you, Jerry. Thank you again, everybody, for listening to this podcast, watching this video. I appreciate you all. And go check out Jerry's channel at Flipping Mastery on YouTube. All right. We'll see you guys later. Thanks, Jerry.