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—Robert Bruss, *Inman News*

How to
Become Wealthy
in Your Spare
Time!

The
**Weekend
Millionaire's
Secrets to
Investing in
REAL ESTATE**

**Mike Summey
and Roger Dawson**

*Foreword by
Carleton H. Sheets*





The Weekend Millionaire's Secrets to Investing in REAL ESTATE

**MIKE SUMMEY
ROGER DAWSON**

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Dedications

- To my mother who instilled in me the drive and determination to succeed in whatever endeavor I attempted.
- To my family and friends who have worked with me to ensure that the information throughout this book is understandable, honest, practical, and easy to follow. Thanks for all your help.
- To Albert Sneed Jr. Esq., my general attorney for over 30 years, who has played devil's advocate as I tested new ideas and methods.
- To Sheryl Williams Esq., my real estate attorney, who has met every deadline, been available to answer every question, and never made a mistake on a closing document.
- To Gary Mathes, my CPA, who has been available day and night to take my calls, answer my questions, and provide me with tax advice.
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- To my best friend Roger Dawson, from whom I have learned negotiating skills that have made millions for me over the 18 years of our friendship. And, whose persistent encouragement finally persuaded me to join him in writing this book.

Mike Summey

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- To my delightful grandchildren, Astrid and Thomas.
- To Bruce Mulhearn, an icon in California real estate, who taught me a great deal about real estate, speaking, and life.
- To the memory of my dear friend, Jack Harvey, who affected my life in so many ways.
- To all the real estate investors who willingly share their knowledge and expertise at real estate investment clubs around the country.
- To my long-time friend and now coauthor Mike Summey. You certainly didn't have to do this, but you did it right.

Roger Dawson

- To our agent, Jeff Herman, who suggested this project to us.
- To our editor, Mary Glenn, who shared our enthusiasm.
- To our special friend and golfing buddy, Carleton H. Sheets, who is as genuine a person as we have ever met (... and very damned lucky at golf too).

Mike Summey and Roger Dawson



Foreword

When Mike and Roger asked me to write a foreword for this book, I was flattered. But, when I read the manuscript, I became truly excited. It is an excellent how-to book, with nuances running the gamut from creative ways to buy and manage property to the psychological mindset of individual and institutional sellers.

I am so pleased to make this small contribution, because Mike and Roger's investment philosophies are so much like mine: Buy real estate; hold on to real estate; have your real estate professionally managed; let the cash flow from your real estate, and the passage of time makes you rich.

Sound simple? You're right. It is. However, you would be amazed at the people I run into that try to "brain" their way through investing. They buy the right property but in the wrong neighborhood. They buy the wrong property in the right neighborhood. They pay too much for a property. They run into severe management problems. They experience any one of a myriad of problems that never would have happened if they could have taken advantage of the advice and directives available in this book. *The Weekend Millionaire's Secrets to Investing in Real Estate*, written by two professional and successful investors, is going to create many self-made millionaires.

If you're trying to change your life financially, real estate has no peers. Armed with the right knowledge and a roadmap showing you what to do, you can create a substantial cash flow and build a large estate as well. Early in my adult life, I remember someone telling me that you could become a millionaire investing in the stock market. I later learned that's true—all you need to do is start with two million. Marshall Field said it best: "Real estate

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is not only the best and quickest way to make you wealthy, for the average person it truly is the only way.”

This book will give you the knowledge you need and the roadmap to follow. It is well written, easy to follow, and exciting to read. Just remember, becoming wealthy in real estate is not a get-rich-quick program. It is a get-rich-over-time course of action. The nice thing about the “trip” though, is that getting from where you are now to where you want to be is not only fun, but you will start enjoying some of the cash flow, equity buildup, and tax benefits immediately.

As an investor for over 30 years, I can tell you that a trip of a thousand miles begins with a single step. Reading this book is that first step. The second is putting what you read to use. Very soon, you’ll be thanking Mike and Roger (and in a small way, maybe even me) for getting you started.

Good Investing!

Carleton H. Sheets

*Author of **How to Buy Your First Home or Investment Property
with No Down Payment***



Preface

Why Read This Book

When you picked up this book, something must have caught your attention. We assume the idea of becoming a Weekend Millionaire intrigued you. Are you skeptical that you can become rich? Many people, when they first saw William Nickerson's book with the outrageous title *How I Turned \$1000 into Five Million in my Spare Time*, probably thought, "If this guy is really worth \$5 million, why is he bothering to write a book about it?" We can't speak for Mr. Nickerson, but we have written this book to share information that we feel will help you achieve the kind of success we have been fortunate enough to enjoy—in other words, to give back some of our good fortune.

There are thousands of books on how to get rich. Many of them promise a lot and deliver very little. The difference in this book is that the ideas and concepts we'll teach you are simple, realistic, and doable, and they work. They are not gimmicks, tricks, or attention-grabbing publicity stunts designed to mislead you into thinking you will get rich quick.

Real estate investing is not limited to wealthy tycoons. Many ordinary people own rental properties, and they are becoming rich doing so. You don't have to be a slave to a weekly paycheck.

All successful people have defining moments that change their lives

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forever. Moments when they have a flash of insight about their potential and ability to be successful that forever sticks in their mind as a moment that turned their life around. This book can produce one of those defining moments for you.

Colonel Sanders, of Kentucky Fried Chicken fame, had such a day when he went to the mailbox and found his first social security check. "I'm not going to do this," he thought. "I'm not going to spend the rest of my life living on a small government check." That's when he mixed up a batch of his "special herbs and spices," put a portable cook stove in the trunk of his car, and went around selling his fried chicken to local restaurants. Today you can buy his "secret recipe" fried chicken in virtually every city in the world.

For Mike Summey, it was a day in 1966 when at age 20 he was terminated, or as we would say today, "downsized," from his \$80 per week factory job. He was flat broke, living in a small rented house, and making monthly payments on an old car. He couldn't come up with \$50 cash the day before payday if his life depended on it.

The shock of suddenly being out of work was enough to create a defining moment in Mike's life. He vowed never to be caught in a situation like that again. He resolved to control his own destiny from that point forward. He wrote down a goal that he carried in his wallet for years. It read, "I will become a millionaire by age thirty and be able to retire by age fifty."

With no money and little education, he could hardly be considered millionaire material. His goal was not lengthy, but it was very specific. It was his goal, and it was a big goal! A goal against which he could measure all his future activities to determine if what he was doing was leading him toward the goal or away from it.

One of the first things his goal did was to help him figure out that he could not get there working at another \$80 per week factory job. At \$80 per week, it would take over 240 years just to earn a million dollars, let alone be worth that much. If he was going to become a millionaire by age 30, it meant he would have to build his net worth by an average of \$100,000 a year for 10 years. Was this an impossible goal? Evidently not, because he made it by age 28 and went on to reach his goal of being able to retire by age 50 and accomplished this with no partners and no investors.

Was it easy? Absolutely not! In fact, the first few years were excruciat-

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ingly difficult. Mike thought the answer was to own his own business, so he used his artistic talents and started a small, one-man sign company. His first year, he earned less than he had at the factory job. Although he was technically “in business for himself,” he quickly learned that making signs was not much different from working in a factory—he was simply selling his time, just in a different way. Having the big long-term goal helped him determine that he would have to find a way to invest each day’s time in assets that could pay him dividends for years to come, dividends that would grow and compound over time.

He found that by renting rather than selling the signs, he could build a growing income stream. Gradually, one sign at a time, he built a billboard company with offices in two states. Although his company was successful, increasing pressure from environmentalists led his bankers, accountants, and attorneys to advise him to diversify his holdings.

Taking their advice, Mike started looking at real estate on the weekends and during his spare time. Once he made a few purchases, he set a goal to buy enough houses to generate an income of \$10,000 per month. Within a few short years, he reached this goal and set another one—\$100,000 per month in income. Unrealistic? Do you doubt that you could do the same thing? Don’t answer that until you have finished reading this book.

Roger Dawson’s defining moment came the day that he realized he had wasted 13 years of his life trying to climb a corporate ladder. Roger wasn’t a top candidate for becoming a millionaire either. Born in England, his father drove a London taxicab and he quit school when he was 16. As a shipboard photographer, he visited California and fell in love with it. A year later, he moved to San Francisco with only \$200 to his name. He went to work for Montgomery Ward department stores as a management trainee, the last management trainee they ever hired without a college education. Thirteen years later, after being transferred six times, he still wasn’t making enough money to support his wife and three children. Inspired by William Nicker-son’s book, each time he was transferred he bought a home and then rented it out when he moved on to the next assignment. He suddenly realized that his income from the real estate was more than the salary he was drawing from full-time employment at Wards, so he quit his job and went into real estate. He not only built a portfolio of rental properties worth several mil-

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lion dollars, but went on to become president of one of California's largest real estate companies and acquired the negotiating skills that made him one of the country's top business negotiating experts.

If you are serious about wanting to turn your life around and become rich investing in real estate, this book can show you how to do it. Mike and Roger first met when Mike hired Roger to speak at an outdoor advertising convention in 1986. Since that time, they have become close friends who respect and admire each other's unique talents and skills.

With the stock market in disarray and investor confidence at a dismal low, Mike and Roger have come together in this book to bring you investment strategies that will allow you to build a strong financial future using your spare time. They will show you how to become a *Weekend Millionaire*.

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Mike and Roger, both members of National Speakers Association, are called upon to address audiences throughout the country on their areas of expertise. Mike speaks on real estate investing and motivation, while Roger addresses the topics of negotiation, persuasion, decision making and motivation. Either may be contacted at the above addresses.



Disclaimer

While we have tried to make everything in this book accurate, please be aware that all 50 states have different real estate laws and those laws are constantly changing. Even legal interpretations of those laws change constantly. We cannot guarantee the accuracy or completeness of the information in this book. For your own protection, you should consult with local real estate professionals, attorneys, and CPAs before making decisions based on the information in this book.



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SECTION 1

Principles of Real Estate Investing

We don't say that real estate investing is the only way to get rich. If you have a law degree or a master of business administration (MBA) from an ivy-league college, there are plenty of ways to make a lot of money in this country. If you have exceptional talent in sports or music, you have a good chance of making some serious money. If you inherited capital or connections, you can leverage those into big bucks.

However, if you're like us, and don't have a college degree, don't have exceptional talent, and are not in line for a big inheritance, investing in real estate may well be the only way for you to get rich.

In this section, we'll help you understand why Andrew Carnegie said: "Ninety percent of all millionaires became so through owning real estate. More money has been made in real estate than in all industrial investments. The wise young man or wage earner of today invests his money in real estate."

You'll see why we advocate getting rich slowly in real estate. Even if you