

Michael Fitzgerald Shares How He Went From Bandit Signs to 1...

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SPEAKERS

Steve Trang, Mike Fitzgerald

S Steve Trang 00:00
Today we have Michael Fitzgerald with Gideon Properties. Mike flew in from Maryland to share how he went from a one bedroom apartment to doing his million dollar farm deal with no money out of pocket to owning hundreds of doors and running the Dream Fund. If this is your first time tuning in, I'm Steve Trang, founder of the OfferFast Homes app, the only MLS for off market wholesale properties, and I'm on a mission to create 100 millionaires. One question I get a lot is, "How do I become one of the 100 millionaires?" and please allow me to answer it here. The information on this podcast alone is enough to help you become a millionaire in the next five to seven years. Take consistent action and you will become one. When you hear a nugget, type into the comment section after the show. Identify your single biggest takeaway, and focus on just that for the next seven days. If you get value today, please tag a friend below or share this episode right now. That way we can all grow together. And this is a live show. So please ask your questions for Mike to answer. You're ready?

M Mike Fitzgerald 00:54
I'm ready.



Steve Trang 00:55

All right, so first question is what got you into real estate?



Mike Fitzgerald 00:58

So I was driving down Old Route 40 in Maryland and I caught a rent-to-own and had a newspaper I had about \$10,000 saved up and the guy on the other line his name was Dave. And he said I sounded like I'd make a much better real estate investor than renting-to-own his house, and told me about the real estate associations in DC and Baltimore. And said I could buy property no money down. So of course, you know I was voted most gullible my senior high school, so of course I believed I could buy a property no money down and it worked. So I started going to real estate associations. About two months in I had my first deal 13706 Mercersburg Road, Clear Spring, Maryland. I bought it with a division of proceeds, no money out of pocket where I could make \$X and the homeowner could make everything over \$X. We agreed to a price and I was allowed to make profit on everything over that price. Left my job two weeks before the property settled and never looked back.



Steve Trang 01:50

That was the first deal how long? So you call the rent to own sign. What prompted you to call the rent to own sign?



Mike Fitzgerald 01:56

So the rent-to-own was in my first deal but on the rent-to-own, and you know, I knew I wanted to create wealth and I just didn't know how?



Steve Trang 02:01

So was there a book?



Mike Fitzgerald 02:02

So I said if I, if I own it... why I figured if I owned a piece of real estate, I'd create wealth. So I had to own something you know, I was 20 years old in the apartment. I had to own something. So I saw this rent down sign, I called the guy, and he said, "Look, you know I don't think my rent-to-own's the right type of deal for you. But I think you sound like you'd make a much better investor up and renting to own my house." I started going to

Baltimore real estate investors association, the Washington DC area association's Traction REIA's own...

S Steve Trang 02:28

But was there a book or something that you read that compelled you? Like rent-to-own or was just real estate? Or I just know real estate will make people money?

S Steve Trang 02:35

So what So you went to the REIAs, you went to and you bought it you bought you know that property? How long from your very first REIA to actually doing a deal?

M Mike Fitzgerald 02:35

I wanted to, I wanted to make money. So right before that, how I saved up the \$10,000 is I negotiated a deal over the internet with a company in China for 3,000 little, little mini motorcycles. Then s said I wanted to sampler at the same price of 30. Used all my \$500 credit cards, everything. Sold them in a month by word of mouth. I used to roll them through the local mall with my name on a piece of paper. I got kicked out of there three or four times, but I sold him in a month. Had between \$10,000 to \$15,000. Called a rent-to-own ad; thought I would be a big importer, found real estate and never looked back. You know real estate has been really good to me.

M Mike Fitzgerald 03:22

About two months?

S Steve Trang 03:24

Okay, so not terribly long.

M Mike Fitzgerald 03:26

No, but I took a lot of action. You know, I first I bought a couple \$100 and bandit signs. Then I called everybody on Craigslist, and I just took a lot of action. And you know, I probably had the same thoughts everybody else has, is this going to work? Should I keep pursuing it? But I stuck with it. I took massive amounts of action and it worked.

- S** Steve Trang 03:44
Got it. Okay, so all this... You said that you're 20 you're 20 years old, so it doesn't sound like you were in college? [No.] Okay, so what were you doing? I know you did that. That the toys with China. What were you doing for money before that?
- M** Mike Fitzgerald 04:00
I was in... I went in the military. A week after I graduate. I graduated high school I went to senior week I left two days later. I mean, what a surprise. And I was in the 18th Airborne Corps out of Fort Bragg, jumping out of planes with first -- the 321st heavy artillery. I only had a three year enlistment. And then I was 20 years old still when when my enlistment ended, and within a week or two I talked my way into a job I was supposed to have a two year degree for left the job four or five months later, still 20 at the time and then jumped into real estate.
- S** Steve Trang 04:32
All right, so then you do your first deal all from your one bedroom apartment?
- M** Mike Fitzgerald 04:38
All from my one bedroom apartment actually 15 of my first 17 houses and about 13 of them no money down creatively from a one bedroom apartment.
- S** Steve Trang 04:47
Yeah. So cuz there's two things I want to emphasize here because you know, we're doing our free wholesaling course, we get a lot of questions and to the questions that seem to come up a lot is, "How do I get started? And how much money do I need" and...
- M** Mike Fitzgerald 05:00
You don't need any money, any money. You know, even a million dollar deal you're talking about when I got that I had like \$24,000 in the bank. A farmer calls me up says, "Hey, I want a million dollars from my farm." I'm like, sure I can help you. And I ended up working it out for around \$600,000 where I could subdivide the property, pay so much amount for his living expenses, then sell any or all the subdivision towards my purchase price. Literally did the whole deal no money down at some point...



Steve Trang 05:27

He financed the whole thing?



Mike Fitzgerald 05:28

He financed the whole thing and at the end of the day, I created over a million dollars in equity. Now that being said, I thought it would take me three months, it took about 15 the county denied me for no apparent reason other than I had a baby face and look 10 years old, because we went to the zoning appeals board. I'll never forget it; the surveyor Fred at the time, I had a surveyor and an attorney. When I started the deal, I \$20,000-some in the bank. By the time I got done with the deal, I had over \$50,000 in it. It was money I made along the way on other real estate deals, paying the guy's living expenses, paying for a surveyor. The surveyor stands in front of a zoning commission. He explains four of the exact situation, and at the end of each one he's like, "So I took an aspirin that day at work. So why would I take the same aspirin for Mr. Fitzgerald situation, is he not allowed to subdivision?" And I got it unanimously. Netted \$1.1 million in equity from a one bedroom apartment. And then I did I learned one of the biggest lessons in my life, Steve, because I didn't sell it. I held on to it. And I just thought the equity we keep going up. And then the recession happened, you know, right before 2007, and you know, luckily I had the farm. I ended up I ended up selling it for much less and, and moving to the farmhouse and that's how I you know, I had multiple rehabs going on at the time. My, my original investor told me Mike, you know, you got to cut everything out like a cancer. I leveraged the farm, moved into it, paid all my investors off, paid all my losses and moved forward. I started out after a recession, about negative \$200,000 equity, never filed bankruptcy never modified anything. In fact, the farmhouse multiple times I tried to get a refinance. And they kept saying no, no, no, you got to miss a payment to do a loan modification. So I drove down to BB&T a couple years in because I was paying an ARM 6%. Parked out front, rented a sports car, walked in and asked for the top three people at BB&T by name. And they actually got their offices on the phone. They thought I was supposed to be there. I brought a briefcase and everything. So security escorted me out. The next day they called me up and they said, you know, what was that about? I said I just want to refinance my mortgage. I called him up, a loan modification, they want me to miss a payment. They sent me a refinance letter the very same day, refinanced me at 3.75%. I got it the next day in the mail. And the funny thing is, years later, I got a BB&T loan on a on a building called the Professional Arts Building. So I told the local market president about it. So he talked to some people at BB&T corporate, the people I said I contacted; they remembered it. They thought it was very funny.



Steve Trang 08:01

I think the key here... because a lot of people, you know they try to go through the front door. And there's nothing wrong trying to go through the front door, right? Like that's the way you're supposed to go. But the front door doesn't always work. And if the front door doesn't work, you got to go through other means and measures. And that's what you did. So I love that. So you actually rented a sports car?



Mike Fitzgerald 08:18

Yes.



Steve Trang 08:20

Did you just buy that suit that day?



Mike Fitzgerald 08:22

Yes. And I double parked out front but I got my refinance. I got my refinance. You know and then years later, the farm is actually an Airbnb now i'd ended up living there. 10 years I went from never living in a farmhouse never live in the country. I moved in there, Steve, there was four chickens in the barn. And I heard about the livestock auction like 15 miles away. So I started going to these livestock auctions. You know, I'm a young kid, I'm wearing a tie. I'm around these Mennonites and Amish folks. I mean, and literally every animal that went through it at a deal I ended up buying. So to make a long story short, I had over 150 animals. Now it's an Airbnb of about 70 animals, peacocks guineas, turkeys, goats, if you want you can stay there for free. We read it for about \$300 a night and it's attached to a bunch of state parks, so there's hundreds of acres behind it. And actually it does all six Washington County Boys and Girls Clubs up there multiple different years and I ended up living there about 10 years until I moved in 2015.



Steve Trang 09:19

Did you make money like flipping the livestock?



Mike Fitzgerald 09:22

No, no no it was just it was a hobby. I decided I'm doing enough real estate I'll work on my office and stuff. But but the cool thing is we get a lot of families here from all over the country. It stays pretty booked, you know it's kind of like a destination Airbnb now and it's

bringing in about \$6,000/month.

S Steve Trang 09:38
Do they know the story behind it?

M Mike Fitzgerald 09:40
No, but I should. I should leave that.

S Steve Trang 09:42
They should know the story behind it, for sure. Okay, so first deal... Remind me again how you got the first deal?

M Mike Fitzgerald 09:50
So I put bandit signs out, it actually came off a bandit sign.

S Steve Trang 09:55
Awesome. And so your first deal is bandit sign. The fourth one, was that a bandit sign too, that farm?

M Mike Fitzgerald 10:02
It was... It was a mixture of direct mail and bandit signs so that the the farm was actually direct mail.

S Steve Trang 10:11
Okay, and so for everyone listening like how long ago was this?

M Mike Fitzgerald 10:14
This was in 2005, I first got that deal. And I closed on it in 2006, right, right the end of 2005, 2006. It was beginning of it was maybe ended 2004, beginning of 2005, I got the deal. And then 2006 I closed out the deal. But you got to imagine you're in a one bedroom apartment. You've done, by when I, when I first got that deal, I'd done three real estate

deals, I had around \$30,000 in the bank, you know, I was rolling. Some people, you get a call from a farmer wants a million dollars for his farm. Some people are gonna say, Hey, you know, I'm not ready for a deal. You know, you never know until you look at it. And it ended up being one of the best deals of my lifetime. And it definitely allowed me to not miss a beat through a recession and pay all my debts and move forward and buy in the recession was great to a lot of real estate investors that could take advantage of it.

S

Steve Trang 11:07

So we're, we're like 15 minutes into this, right. And I've heard two, two, two instances, where being super resourceful paid off big time. So one of the things that, you know, I've mentioned before, we're talking about like, what you need to be successful, one of them is resourcefulness. And we look for that when we hire. So it seems like you've got that in spades. How would you teach someone or show someone how to become resourceful?

M

Mike Fitzgerald 11:32

Don't let fear block your way. Don't let, you know, distance block your way. Think about what you're doing. Make sure you're not doing any one deal that would take that would take your business under you know, on the farm deal. I knew I was paying for it along the way, you know, and I was ultimately going to figure out a way to do it. But you want to look at everything, you know, you don't want to do something that doesn't make sense. You don't want to get distracted. You don't want to get 20 things going on to where you can't do anything. But it, when you're when you're just starting out and you get a deal if someone calls you up, and they want \$500,000 for a building, that building could be worth \$700,000 you might be able to negotiate it for \$400,000 and make \$100,000 wholesale fee. You know, always move forward and don't don't be scared to actually do. So many people when they start out real estate Steve, they they think they think about what they're gonna do, but they don't actually do it. Then when the leads actually come in, they don't... they, they they hold back on calling, they don't... You know, if you take action and you take massive action, it's gonna work.

S

Steve Trang 12:33

Right. So you did the farm thing. And you said along the way, you were doing additional deals. So what other kind of deals are you doing?

M

Mike Fitzgerald 12:40

So my second deal was a subject to the existing mortgage. That's where I actually bought

the property closed on the property with a with the title company -- Premier Settlements and Title I believe it was at the time -- and the mortgage stayed in the homeowner's name but the deed moved in my name, and I got title insurance on everything excluding the existing mortgage. And when I wanted to do the deal, you know, you got to remember I look 10 years old, 11 years old, I had a baby face. So I used to, I used to go in and I used to go in my tie, be all dressed up. And and I used to always say let me get back to, let me get back to my senior advisors. I always, I'd always say let me get back to someone else because if they thought I was in charge they wouldn't take me serious. But what that did is they always you know, a lot of homeowners would tell me hey, here's what I really need for the property you can go ask them for this. So and I was asking a lot of people at the REIA you know my first division of proceeds contract I got from someone at the local REIA. My first subject to contract, I mean it was it was a it was a 40 page, a friend of mine now, loop around contract I got from someone at the REIA. And that that's how it happened along the way. Now now my third deal was an owner financing deal, my fourth my fourth deal was a farm, my fifth deal with the subject to the existing mortgage...



Steve Trang 13:56

There's no, there's no trend here, you're just doing all sorts of different deals?



Mike Fitzgerald 14:00

Well, correct. So what first I did all creative deals because I didn't know how was I going to buy properties without money.



Steve Trang 14:06

There you go, that makes sense.



Steve Trang 14:07

So this is a guy, massive success, 400 employees. Walks into your apartment and is like, alright, you have to fix this, fix this, fix it.



Mike Fitzgerald 14:07

So you know good creative deals, division of proceeds, subject to the existing mortgage owner financing. Then about two years in I started raising money, and that's where things got really good because it was 2005, I guess about a year and a half and a fella by the name of Richard Greenwald came in my one bedroom apartment. And Richard and built a

business to 400 employees, just one of the businesses he built. And they were the biggest in the in the country for Christmas music. They invented the Christmas music boxsets. Really nice guys, a and he, he came in my apartment. Took my shoe boxes full of receipts and Mike you need a bookkeeper. Then he said Mike you need an office. But he said Mike you need to you need a girl Friday, you need somebody at the office. And at first I didn't know why was I spending all this money? But the truth of the matter is, him coming into my life is really what allowed me to really grow as I've, as I've grown along the way.

M

Mike Fitzgerald 15:16

Correct. So he actually... he was in his um... He was in his late 70s at the time.

S

Steve Trang 15:23

What was he doing? mentoring, you know, this...

M

Mike Fitzgerald 15:25

I just, I just so he was a member of a local group called SCORE. I just went to him said, hey, you're, you know, I'm looking to raise some money. And he wanted to know more about what I did. And so he came in and, and helped me with it. The funny thing is, they're the biggest in the country for Christmas music, three Jewish guys. They sold their company in 1989 for \$40 million. And now we're still friends to this day. And he still, he works out three times a week, does the elliptical for a half hour, our super great guy. But the first four years of my business he was really involved in in advising me. When the recession happened, he said, "Mike, things are gonna keep dropping, cut everything out like a cancer," pay all your investors, don't, don't modify anything, don't short sale anything, you know, work on your reputation all the way through. And, you know, I've got a flawless reputation on the lending side. And I've, I've, I've done so much real estate over the years, but I have a good understanding of real estate deals. And that's why like, that's why I like the fund I have so much with my partner, Mike Zalatny. Because I get to look at deals all day and that's fun to me.

S

Steve Trang 16:34

Well, I think one thing, just, you know, we kind of touched on it really quickly, but I want to emphasize for everybody, you know, you went to SCORE. And so for some people that can't afford to get a mentor, right can't afford to, you know, go join a mastermind this or that. There's a lot of free mentorship. And the guys that are involved in SCORE are older folks who've had successful businesses that want to help young people get started.

M

Mike Fitzgerald 16:55

Well, if you're really awesome, and actually, all my new managers now, I actually I learned this, I got this advice from a guy by the name of Guy Stern, he's, um... I asked him how he became so successful. He said, from a young age, he always worked for billionaires, and he gave me the advice to give all my managers a business plan and have them fill out the business plan for what they're doing. So I use a SCORE business plan for that to this day.

S

Steve Trang 17:17

You do? Wow, that's impressive. And that's really long. So I'm surprised that they were able to complete that. I've tried it. I did the SCORE business plan, did it one year. And I could never do it again because it's so freakin' long. Okay, so how did we, so you did... you're doing these deals, then the recession occurs. Is that before or after you started looking for money?

M

Mike Fitzgerald 17:36

So that was after and I'd already borrowed money. So at the time of the recession, I had seven or eight renovations going on. And everything went down. I took over a half million dollars in losses and I leveraged equity in the farm to pay that and didn't miss a beat. I didn't negotiate any interest and I was paying 12% to 15% interest at the time.

S

Steve Trang 17:54

But so not only were the investors kept whole, you're paying them interest as well.

M

Mike Fitzgerald 17:58

Yeah, I paid their full interest took all the losses. After the recession, I went from being over a million dollars positive to about \$200,000 negative, but I worked my way. I did everything I was supposed to do. I paid all my debts. I never, I never didn't pay a dime of interest. So I'm proud of that fact.

S

Steve Trang 18:18

That's really impressive. Because I know people that made it through the recession and they never... they didn't necessarily fall you know, everyone was repaid. I don't know anyone else who was paying the interest as well. Right?

M

Mike Fitzgerald 18:28

Yeah, I paid all the I paid all the I paid every single bit of interest. You know, luckily I had seven or eight going on going on, you know, when that happened. You know, a couple years down the road when I had 20 going on it would have been a little tougher.

S

Steve Trang 18:39

Yeah, for sure. Alright, so you're finding money and then you, the recession occurs? So what did you do during the recession?

M

Mike Fitzgerald 18:45

So during the recession, I did more deals. I looked for real estate harder. I bought real estate lower. All a recession did was changing numbers I buy at. It changed nothing else. And actually, a couple years of... banks wouldn't work with me my first three to four years. Every time I went to a bank, they, they said I didn't have enough experience or you know, I didn't... so I remember there was a fella, Steve Michael, in town for a long time. And he used to tell people and when Mike first came in, he looked 10 years old. And I said this kid's either going to be really rich or flat broke. I can't take a risk on him yet. And the same thing, I used to walk into all the banks and I, it took... After about four years I started working with the bank, the recession was still going on you know it's a lengthy recession, and it was the best thing I ever did. You know, I started picking up a lot of rental property and real estate. Rental property is very forgiving. You know, I anybody getting into real estate, I'd recommend wholesaling at first and building capital, then picking up rentals. The great thing about rentals is no matter what you're making, what you're making, they'll cash flow. You're paying it down, you're increasing equity, you got a good write off and you know, I've been very blessed to have the rental portfolio I have. And I recommend anybody getting into real estate you know, if you're sitting on a lot of cash or wholesaling a lot, turn it into rental property. You buy at a discount, refinance it, you don't have to have 20% or 30% in it a lot of times. If you buy it at a discount and grow wealth.

S

Steve Trang 20:08

Yeah. So you're acquiring properties you're buying these are for buy and hold?

M

Mike Fitzgerald 20:11

Yes.



Steve Trang 20:11

Okay. So then what you do once things turn around? Like when, when, when did the number of doors...



Mike Fitzgerald 20:17

So I was, so, so when, during, during a recession, I wholesaled, I renovated and flipped homes, and I bought I started buying rentals about four years in. I did I did the whole array. It wasn't until about 2000 and... before 2013 I just did regular real estate projects so my fourth deal [sneezing]...Bless you. Although my my fourth deal was a was the was the actual subdivision deal, I did another subdivision deal in between which netted about \$500,000 equity, did pretty good. And took me like four years to sell; that's how those deals tend to work. But I, I just kept moving forward. And then in about 2013, I took on a condo project, my very first one. To this day and in a market that has some very high end condos, that project through four and five resales (last time I checked two months ago) still has the highest selling square footage. It's in Frederick, Maryland, 900 square foot condos for about \$500,000. So I've done, I did, I've done two, I did another high end condo project, the Pythian Castle. And then I...



Steve Trang 20:18

I mean, when you say you're doing a project, what does it mean to do it?



Mike Fitzgerald 21:32

That means I buy a building, I completely gut it, and completely redo it and make it beautiful. And then



Steve Trang 21:37

So you're, while some of us are wholesaling contracts or flipping houses, you're flipping entire projects? [Correct.] Awesome.



Mike Fitzgerald 21:45

So right right now I got one of the coolest ones in my lifetime going on. I'm actually hoping for a State Catalyst Label. And it's looking like I'll get it.

S Steve Trang 21:52
For a what label?

M Mike Fitzgerald 21:53
A catalyst label.

S Steve Trang 21:54
What does that mean?

M Mike Fitzgerald 21:55
It's... I'm, I'm hoping, and I think I'm gonna get it, a federal, state and city partnership on a catalyst project for a city. In 2015, somebody called me up. It was kind of like the farm deal, Steve. And they said, "Mike, are you interested in buying this office building?" The bank was in big trouble. The feds were about to take them over and they had to sell \$270 million in real estate or the feds are gonna take them over. So I ended up buying a building called the Grand Piano Building on a short sale. The original note was \$2.2 million. I got it for approximately \$700,000. Had never done a project over the condo project which was less than 10,000 square feet and I bought a 50,000 square foot office building. But I said to myself, if I'm buying a 50,000 square foot office building for \$700,000 it has to be a good deal, right?

S Steve Trang 22:39
Has to be.

M Mike Fitzgerald 22:40
So actually, that was my first city partnership. The city contributed \$150,000 to that project as long as I hit my goals. At the end of the day I added over 100 jobs downtown and about 5,000 feet on the street a month. Now the big part of this is, when I did that project, local developers called me up. This was before Hagerstown, the city I'm in, started really moving forward. They said "Mike, what are you thinking? It's gonna take you 10 years to fill, this could bankrupt you. You've been doing so well." When I finished the building, it took me four months to fill you. You want to know how I filled it, Steve? I went to the market next door in Frederick that's popping. I started knocking on business doors, asking them if they ever thought of opening a second location and taking them to

Hagerstown. And I 100% filled two buildings. So in 2015, [Wow] I got a citation from the governor in the state of Maryland, which is a good thing now like a citation like a ticket in front of about 800 people at the Maryland Theater. And it was thanking me for being an entrepreneur in the state and making such a big contribution towards the gentrification in Hagerstown. And then a lot of other folks started jumping on, jumping on as well and now Hagerstown is really took off you know we have thousands of students downtown...

S Steve Trang 23:45
So how would someone get into a position where the city is calling you or some institution

M Mike Fitzgerald 23:53
I called the city.

S Steve Trang 23:54
So you call the city you're ask them like, "Hey, you got anything that you guys are taking down? You guys foreclosing on any properties?"

M Mike Fitzgerald 23:59
It wasn't the city. The city... I bought it from a bank, then I went to the city instead of I do these sorts of things in this amount of time, will you contribute towards the project? And the city contributed \$150,000 towards the project.

S Steve Trang 24:11
Got it. So it's kind of like some of the city subsidies trying to encourage companies to move.

M Mike Fitzgerald 24:16
Correct correct. And I did another one that was about \$600,000 in contributions about two years ago, and now I'm working on the biggest one yet.

S Steve Trang 24:24
Yeah. So okay, so you go into the city and they're working with you. So it's not necessarily the city calling saying, "Hey Mike, I need you to buy this property." It's the banks....

M

Mike Fitzgerald 24:33

No, no, no, that, that was a, that was an owner calling, connected me with the bank because the bank was looking to move the properties. The bank, this bank in a, in a recession literally had to sell a lot of real estate. So they were calling their borrowers saying, "Look, we won't go after you for the money." And this was a non-performing note. So I was able to get the property at about a one and a half million dollar discount from a note. Then I raised some money going into it, you know you gotta figure I'm going to investors I normally flip houses with and banks trying to raise money for this. We put about one point, we put about \$1.2 million into the building. And I got \$150,000 of that back. And it's um, it's a good building. You know, I'm actually my office, we just moved in here a couple months ago. So it's a great space.

S

Steve Trang 25:16

So you guys still own it?

M

Mike Fitzgerald 25:17

I still own it.

S

Steve Trang 25:18

Got it. All right. And then from there, how do you go to you said, you know, a few, 400 plus doors?

M

Mike Fitzgerald 25:26

So I just along the way, good deals that came up, I was buying actually, in the past four years, I've sold about 200 doors, or I'd have more. And then most of them, I own myself, I have a partnership in Oklahoma, where I have 105 units with two guys that that's going well. And the doors... So when banks started lending to me before they could blink, when when a banker first took a chance on me. And now that that banker is a commercial lender took a chance on me said, you know, I'm going to take a chance on you. And before he knew it, I had \$2 million in loans. So I went to another bank, I said, Well, this banks giving me \$2 million in loans; the rentals are working out good. I can still keep working with them. Would you like to give me a loan? I'm like, if you want to do anything, let me know. And then before you knew it, I was working with four or five banks and had and I said, and I said when I was 25 years old, I wanted to own 200 rental units by the time

I was 29. When I was 27, I owned 200 round units.

S Steve Trang 26:25
That's awesome. That's incredible.

M Mike Fitzgerald 26:27
And I did it from nothing, you know, my my biggest achievement still is, you know, I was able to, to buy my childhood home back for my parents and move them into it. So I'm happy about that.

S Steve Trang 26:37
So one of the things that people you know, kind of have a mental hurdle that you need... Again, talked about earlier, you know, you needed money. So what was your circumstance growing up to...?

M Mike Fitzgerald 26:47
See, you know, my dad worked very, very hard. You know, he always had two, three, even four jobs and when we were growing up, I used to get bags of clothes on the porch from churches, presents from churches around holiday times. You know, my dad worked really hard, but I've always been motivated to make money. So when I was 8, 9, 10 years old, I was shoveling sidewalks. When I was 10, I had a paper route. I got my first front page newspaper article. They dropped me off in neighborhoods, and I ended up selling almost every door that would open. So I sold over 2,000 new newspaper subscriptions in a summer. I started a paper route, had like 70 customers. When I was done and had 400 and they had to split it in half. And they gave me a paper article. It was called the Bird Boy Sharpsburg. In the middle of an article that said this charismatic, five foot one seventh grader says what he's going to do is sell his baseball cards and open up a pet store and a chain of pet stores. Then I might always work before I was 18 you know,

S Steve Trang 27:44
So that was 10 years old that you were in the paper about opening all these pet stores?

M Mike Fitzgerald 27:48

Yeah. And I had about 20 lawn mowing jobs. I started paying other kids to mow them. Then I before, I before I went in the Army, before I graduated, I played sports every season and I went to I worked at Britches Great Outdoors, a clothing store, Timberland Levi's, Dockers, multiple restaurants, I always had a job or I always had a job or some type of business before I went in the military. Then when I got out of the military, I said you know what do I do? Do I... Do I go to college? I want to make money and I just kept looking for ways to make money. I read something in Forbes about importing, so I did the deal in China. And a guy said hey, you sound like you make a better real estate investor So I turned to real estate.

S Steve Trang 28:27

The reason why I'm asking this is because I want these people to get the limiting belief that you need to come from money or your parents need to set you up for success.

M Mike Fitzgerald 28:34

I come from no money my parents are really hard workers are wonderful people. My, I definitely got a work ethic from my parents. But you know I come, I started with nothing. You know, I my parents really struggled when as I was growing up. Late later on after I was an Army, they were... my dad went full-time army, actually full-time National Guard, for the retirement. But growing up, it started out when I was nine or 10. I wanted, I wanted new clothes. I wanted some of the clothes other kids wore because I'd get picked on for moving to different towns and getting clothes given to me and then wearing the same clothes that somebody else wore but they donated. So that's where it's... You know, I've just always been motivated but I remember from a very young age I used to hide my birthday money until it added up. I always end up giving it to my parents to help them out same with the paper route. I, I contributed my whole time growing up and well but I'm grateful. My... like I said, my dad's a hard worker and they're good people.

S Steve Trang 29:35

So going back, I know you said that, you know you just had deals just coming through, and you know just kind of... it sounds like they fell in your lap, but they ultimately didn't right? Like when you're acquiring all these deals.

M Mike Fitzgerald 29:45

No nothing. Nothing really falls in your lap. You know, I was I always marketing, I was direct mailing, and at that time. I mean, it was, it was, it was really easy because all these

foreclosures kept popping up. All these short sales on the MLS. So a lot of the deals at that time I got on the MLS.



Steve Trang 29:59

So you weren't... So you're finding that the the multifamily on MLS?



Mike Fitzgerald 30:04

Correct, but the overwhelming majority of my deals in my lifetime had been for marketing or personal referrals. You know, I have an apartment complex in Hagerstown, Longmeadow Apartments, one of the best deals I've ever done. And that was a referral from an appraiser. So, you know, I always tell people what I do, and to this day, I get 5, 10, 15 real estate referrals a month.



Steve Trang 30:25

Wow, that's really good.



Mike Fitzgerald 30:26

Well, I used to... when I was when I first started, Steve, I used to stand in line at borders. If you remember that bookstore. [Yeah.] And I used to start talking to people in line and just start making conversation. Then I talked... then I'd say, "Hey, guys, I got a question. How many of you drive by a piece of real estate that looks a little bit rundown? How long does it take to write down the address?" They'd all say, like, 30 seconds, one minute. And I'd say, "So hey, if you refer to me, 20 of them, and I close on one and I give you \$500 that's a couple \$100 an hour." So I literally from doing that at different stores and talking to different people, at one point in my life I got 40 to 50 personal referrals a month, just from telling everybody what I did. And I used to hand out our referral fees all the time.



Steve Trang 31:06

Were you handing out those metallic business cards again?



Mike Fitzgerald 31:08

No, no more recently I do mass... I do a lot of marketing, a lot of direct mail. RVM and stuff like that.

S

Steve Trang 31:15

All right. So you're acquiring all these doors, and then somewhere along the line, you get involved with Zlotnick?

M

Mike Fitzgerald 31:22

Well, that's way down the road. I'm fortunate to be a member of two masterminds -- Collective Genius the top mastermind in a country of real estate investors, great folks. I've been a member six years. The fund is more in the past two years. So March of this year, make 17 years in real estate. I've literally been doing real estate 44% of my life, Steve. And I started with nothing.

S

Steve Trang 31:47

Yeah. So you recently, you said in the last couple years connected with Zlotnick?

S

Steve Trang 31:51

You're just a baby, you got a baby face.

M

Mike Fitzgerald 31:51

I'd like to, I'd like to you know, my goal is to raise \$100 million for the fund. And we, we we have the clients put it to work. We got third party administration in the next three years. You know, first I, I I'm in such a great mastermind. Great folks, you know, both masterminds I'm in I'm also in, in the top four real estate marketers, you just I like a lot of the guys in in in Collective Genius is great. So through Collective Genius. I was recommended to EOS. So we got EOS, and I'm working, I'm working on getting the business to where I have to be there about 10 or 15 hours a week and I just want to raise money for the fund. Whenever you're looking at real estate deals, and every single one it's like, Man, I wish I had that deal. It's a good day to land on them. So I um, I really enjoy that.

M

Mike Fitzgerald 31:51

Yes, was the one and that's that's really what I see. As, as a future, you know, I want to get it to where... we're very good at what we do. We got a lot of great Tier 1 sponsors from the mastermind. What that means is, guys that have been doing real estate a good number of years and they're buying properties at discounts. So we got a lot of opportunity. We have

third party administration. So everything's verified. And 2019, Q1 through Q4, first full year of inception, investors made over an 11% return with 10% distributed. And I enjoy it. You know, so what I want, right now, we're still doing marketing, we're still, we're still picking up a lot of new properties. But what I want to get it to in the next three or four years, is I like to do one big deal myself away from the fund because I don't borrow from the fund. Like an apartment complex, an office building, and really be a fund manager. I absolutely love it. You know, a lot of our sponsors are just amazing at what they do. And you know, it's the guys that are going out there, offering on 100 apartment complexes a year to buy two that are worth \$5 million for \$2.5 million. So I feel really comfortable. The downside protection is massive. And I really look at that as where I want to be in the future. I'm hoping -- I'm 37 right now, just turn 37 -- but I'm hoping by the time I'm forty...

S Steve Trang 33:59
The other one you done while you're talking about Matt Andrews?

M Mike Fitzgerald 34:01
Yes, yes. Yeah, Matt's a great guy.

S Steve Trang 34:03
I'm in that one to that guy. He's he kind of cracked code a little bit with Clubhouse. I mean, he's just crazy in that thing. All right. Yeah. So we're both in CG together. So while I was at CG, someone introduced us, Khan Lee.

M Mike Fitzgerald 34:19
Great guy, wholesale to millions!

S Steve Trang 34:21
Wholesale to millions. So he said, Steve, you got to meet Mike. He's my mentor. You want to talk about that?

M Mike Fitzgerald 34:27
So I haven't mentored many people. But I have mentored three people and all three people I've mentored are crushing it, just crushing it. So Khan met me. I'm friends with a fella by the name of Robert Shemin. And he wrote a book "Why is That Idiot Rich and I'm

Not? Super great guy. So he invites me different places. I went to one of his super high end seminars. And Khan comes up to me says my wife says, you got to coach us in real estate. I'm like, Look, I don't coach people in real estate. And then I said just Just give me a number. Give me a number. And after, he was so persistent, after about out a half day I gave him a number. He, he paid me, I went out there for three days. He had been going to high end seminars for around seven or eight months or any seminars trying to pick up his first deal. He picked up his first deal within a couple weeks of me going out there, had three deals in two months, and I gotta give the guy credit. He's, he's amazing. What he's done and what he's turned his business into is absolutely something special. He has an amazing wholesale business. He has, he has an amazing business, providing people with info on real estate. He's an amazing guy. And I told him what to do. He did it. And he crushed it. And he's come a long way on his own, right? And there was two other people that are doing very well. I've decided with focus, you know, coaching really isn't what I do. But I, I'm probably going to set up something once I'm just raising money for the fund and my office is really managing a lot on its own, which I'm already seeing that, that start to happen. I'm probably going to do something where I where I bring maybe one person a month to my office just to shadow my office and me for a couple days, some kind of some kind of fee beside the value someone gets off that is massive.

S Steve Trang 36:08
Right?

M Mike Fitzgerald 36:09
But um, yeah, like I like hung a lot. He's He's very good guy.

S Steve Trang 36:13
Great guy. And, you know, we were always, you know, texting, you know, pushing each other. So, but yeah, I wasn't sure what to take him because he's always like, you know, like, kind of joking around a little bit.

M Mike Fitzgerald 36:24
No, I was his mentor.

S Steve Trang 36:25
Yeah. All right. So I mean, you're in Maryland, it's, there's a lot of people in Maryland, right?

Like, you're not the only fish.

M

Mike Fitzgerald 36:36

No, no, no, no.

S

Steve Trang 36:37

So how are you different than your peers?

M

Mike Fitzgerald 36:41

So I'd say I'm different than my peers, because a lot of folks, they just stop marketing. Once he gets some deals, they stop marketing, they do those deals, they interrupt their marketing, or, you know, other other guys, they they get a hang up, and they slow down. One of the biggest things I learned in real estate, Steve, is if you have a problem, and you lost money on something, do more deals! If you stop doing deals, that kind of messes you up. If you keep doing more deals, pay for the problem and move on. You know, I learned that I guess in after a recession in 2011, 2010-ish 2011, I had a building collapse and insurance company denied me. And it was a 13 unit apartment building. And it collapsed while we were doing work, I had no idea there was foundation issues. And I fought the insurance company; I won. I still got a fraction after paying attorneys. But over, over that time, I could have just stopped. And if I just stopped, I would have been hurt, I would have had to sell stuff. But I kept wholesaling. I kept buying and fixing up and that paid for everything and moved along. So I'd say you know, once you start doing real estate, don't let anything slow you down. Don't let anything hold you up, keep moving forward. Because as soon as you stop moving forward, you take a chance of moving backwards. And you just don't want that, you know, real estate has been very good to me. And I credited to the action moving forward and you know, being blessed to be around wonderful people. And speaking of Khan earlier, I've learned stuff from him in the last couple years. But it's been a wonderful relationship. And he's a great guy.

S

Steve Trang 38:08

Yeah, the last time we hung out, you and I, was about, let's see, it was it was actually last month. We were, and we had the chance to see Mark speak, Mark De La Torre speak. And I think everyone got like a big crush on his business.

M Mike Fitzgerald 38:21
I agree. I agree.

S Steve Trang 38:22
So what does your business look like today? or What does your organization look like today? And what do you want it to look like?

M Mike Fitzgerald 38:28
Okay, so what it looks like today is I've hired some high level people, we got a rental division, we got the wholesale division, which we're which which we're going to move forward on, we got the rehab division, which we're kind of slowing down on, we got accounting. And then we have four VAs that are doing that are taking all the calls, live calls from advertising and stuff like that. And then we have three maintenance people. So right now I'm trying to grow my managers. I learned a lot from Mark about letting them make mistakes, and really just try to be the best I can be for them. And I, I feel like what what Mark did was right way one thing he said, one thing he said during mastermind, it really touched me was the fact he he let his implementer go work in each part of the business. You know, I think that's really important. So I took that out of it. And he so my organization today, we have a whole chart. It's me and the COO and then the finance manager. And then over top of different divisions, is the person is charged to sales, the the person doing the selling isn't a VA anymore. And then the construction and the rentals. I used to have a REIA. So I started a real estate investor association with two guys. A lot of folks have spoken at my re actually in CG in about 2007. Then in 2017 I decided I really needed to focus if I wanted to get to being a fund manager, get everything I wanted. So at one point we had, like 300 members. But I ended up giving up the REIA and just really zeroing in on, zeroing in on the business.

S Steve Trang 40:09
Yeah, it's tough because I got, I wouldn't call it a Ria, but you know, we have our meetup, which is a lot of fun.

M Mike Fitzgerald 40:14
They're always fun, aren't they?



Steve Trang 40:15

They are all right, and you get to hang out and drink and whatever. But COVID really screwed everything up. And so I haven't had one since March of last year. And so I gotta figure out what I want to do.



Mike Fitzgerald 40:24

Yeah. COVID is, it depends how it relates to your business, you know, if it relates directly to your business, and it doesn't take your focus away, I'd recommend keeping it. If it doesn't, if it doesn't meet the end goals, and it doesn't relate directly to your business, maybe move on. But I'll tell you, there are a lot of fun, aren't they?



Steve Trang 40:40

They're a lot of fun? No, I always, always, reinvigorates me gets me fired up. So one question, I want to ask you seems like you've always got things going together. Things just seem to be, you know, working really well. Do you have moments where you're discouraged, or, you know, feeling down on yourself?



Mike Fitzgerald 40:59

I think everybody has moments when they're discouraged. But the best thing you can do is think about the end result. And you're already on the way there. Yeah, you know, of course, I have moments where I'm discouraged. But usually when I have those moments, I think about all the great things I have to be grateful for. And we're at where I want to be. You know, I'm a big believer in, in announcing what you want, you know, I am doing this, I can do this kind of like the St. Germain thing, you know. I was a little bit discouraged, as you know, I was in when I first joined CG the first couple years, I see all these amazing guys, and I see me working 40, 50 hours a week to be amazing. I was like, I want to be one of these guys. So I've we're working on that. And we're on where we're getting to that point very quickly now. So I would say, I would say yes, but I always move on move beyond that quickly.



Steve Trang 41:57

Got it. So tell me about the Dream Fund.



Mike Fitzgerald 42:00

So the dream funds with me and my partner Mike Zlotnick. Mike has a podcast, big, big, Big Mike Fund podcast, it's he's been assessable fund manager for about 10 years. And we really came up together because I've, I looked at what he was doing and he could put a lot more money to work. You know, we're in this mastermind, we have these guys buying real estate in fractions on the dollar. And you know, just through... its relationship dealmaking. We don't take people on the street. We meet people in masterminds and we, we look to be part of their deals where it's a win for them and make sense for the fund. Our target return is 10%, 12%. And we pay investors a 5% preferred return on their money, meaning if the fund ever didn't make 10% to 12%, that 5% would be made up in when it did. But so far we've, we've done very well even through COVID, I'm happy with this year, and we feel good about our targeted returns. And then we have third party fund administration, which means they look through everything, verify everything, which is vera best.

S

Steve Trang 43:06

Got it. So was that what you were talking about earlier, where you get first looks on lots of great deals?

M

Mike Fitzgerald 43:14

Yeah, that's that's really enjoyable. You know, I love looking at real estate deals, you know, the deal itself, and I feel like to win a Tier 1 guy's doing a deal, I can add a lot of add a lot of value to that. I also like the wholesaling model. So the idea is that we're going to, we're going to really I'd like to slow down on rehab and do one big deal. Keep the whole... do one big deal at a time maybe in three or four years. Keep the wholesaling model going. Keep my existing portfolio rentals, and then really just work on on the fund. [Got it.] So you've had, by the way, I love your podcast, you have some really awesome guys on here.

S

Steve Trang 43:49

We're very lucky to have some really good names come on here and, including yourself. So you said you're 35[I'm 37.] 37. Alright, so you could stop right now. [I could.] So why don't you stop?

M

Mike Fitzgerald 44:07

You know, I, I'm driven and on top of being driven, the core key people in my business I want to take care of and provide retirement for through real estate. And I'm not ready to stop, you know, what am I going to do if I stop? I'm 37 years old and I want to really be... I

really want to have the wholesale model because historically I've done a lot of rehabs. You know, I was doing 60, 70 plus rehabs a year for a long time and only a chunk of wholesalers. I'm trying to get it to where it's all wholesale so it's less time consuming. And I really like, you had a guy on here a few weeks ago, Eric Brewer has an awesome wholesale model. So I'm really trying to really trying to get the wholesale model going super strong and just move forward. I don't... I think if I stopped what I do, Steve? How bored, he... you'd be bored. You know what I mean?

S

Steve Trang 44:56

Bored out of my mind.

M

Mike Fitzgerald 44:57

Would you do I just... I don't see any reason. Stop right now when I'm going to stop I don't. Yeah. And that everything moves forward very smoothly regardless. What about you? What keeps you going, Steve?

S

Steve Trang 45:09

I just have to crush everybody. I don't know what else to say. You know, my, we had a the kids were you know, they're they had an extra day off with COVID you know, like school is try to figure out what to do. So my wife's working from home, and they're like, you know, I was like, You guys ready to go back to school? The kids are like no one that really asked my wife You ready to go back to work? She's like, I guess. She's like, what about you? I was like, I can't wait to get back to the office. Right? It's killing me sitting at home. Like not doing anything like playing freaking Solitaire. Watching videos like on TikTok, right? Listening to things in Clubhouse? I'm going crazy. [Yeah] I need to be doing something.

M

Mike Fitzgerald 45:46

Because you love what you do. Yeah, that's very important. You know, anybody listen to your podcast that hasn't done their first real estate deal yet. If they start taking action, it'll happen if you believe it's going to happen. And if you if you keep taking action, and don't give up, you're going to get your first deal. And one thing I often think about is my first year in real estate, you know, it's hard to get four deals. My next year, it was hard to get nine or 10 deals, my next year was hard to get 20 deals. Well now, you know, if I push it, I can do over 100 deals a year. [Right] So it gets easier and easier the longer you do it. And a lot of it's just experience, moving forward and taking action.

S Steve Trang 46:21
Absolutely, absolutely. So what is your biggest struggle right now?

M Mike Fitzgerald 46:25
Um, so I've got I've got a lot of new high level people through hiring EOS, like business implementers. And it's giving giving them enough time and growing them enough. That and not just, not just jumping on things myself.

S Steve Trang 46:42
Got it. And what is your superpower?

M Mike Fitzgerald 46:46
I'd say networking. I love to network, which is why I want to be a fund manager. Actually COVID messed me up on that. I've, I've got some great friendships in the Middle East. I got great friendships in America. Some people have seen me in a room and said, Mike, I watched you tonight. Do you realize you went to all 70 tables in this room and shook everybody's hand? Honestly, I can't do that with COVID. I've been able and I've been fortunate enough to meet a lot of great people now working and a lot of folks in CG and other folks have told me that's my superpower. So

M Mike Fitzgerald 47:19
Interesting. I did not know that. You did, you did make an appearance on our last YouTube video about CG. Giving the toast. Guys, please ask questions. Right. Like we got we got Mike here. I'm asking a lot of questions here. But this is this is open for you guys ask questions as well.

M Mike Fitzgerald 47:36
And my Instagram if Steve doesn't mind is Mike2TheFitz.

S Steve Trang 47:44
I tried tagging you on Instagram, but you have a set where you can't be tagged.

M Mike Fitzgerald 47:47
Oh, let me um, I can I'll set that off. Yeah, I'll fix that. So you can tag me.

S Steve Trang 47:51
Alright, so then I saw you answer this question. So I have to ask it. What book Have you gifted more than any other?

M Mike Fitzgerald 48:02
Why is That Idiot Rich and I'm Not? by my good friend, Robert Shemin.

S Steve Trang 48:06
Okay, so let's talk about that. What were the lessons in that book cuz that's a very interesting title.

M Mike Fitzgerald 48:12
It's, it's, it's a fact if you just do what you believe in it, what you envision, and it's going to happen. If you, if you say you're gonna do it, but you don't envision it, you don't believe in it, it doesn't, it doesn't necessarily happen. So it's it's a lot of people and what they did different and what made them rich.

S Steve Trang 48:29
But why is that idiot rich?

M Mike Fitzgerald 48:31
You know, because it because they envision it, they dream it and they do it. If you if you if you do it, and you envision it, it's always going to happen. You just can't give up the first time it doesn't happen. You know, it would have been easy for me my first -- I remember a probably a month, three weeks into my real estate career in my apartment, is this going to work. But I mean, if you, if you don't, if you don't keep moving forward, it's never gonna work. Or no matter what you're doing in life, if you really want to do it, say, Hey, here's where I want to get. Here's who I want to be. How do I get there? How do I do it? And you'll get better every day.



Steve Trang 49:02

You know, is interesting, because I have a... my best friend, right? He's still my accountability partner, we still meet every single month. [That's awesome.] Talk about business and yet some like a best friend since like seventh grade. So we still meet every month. And one of the things that fires us up was like [points] that guy. There's nothing more special about that guy than me. There's no reason why we shouldn't be with him. And that's just something that we're both competitive, right? And so we're always looking and measuring. It's like, Okay, well, we should definitely pass that guy. So now that guy is the next target. And once he passed they Okay, that guy's next target. And you know, we were saying earlier, what is your What is your Why? I think just for me, just that competition.



Mike Fitzgerald 49:40

So I'm definitely ultra competitive. For me. It was like really helping out my family and I've been able to do that a lot. Now. It's my son, I'm a single dad. So I he I definitely want to create a super bright future for him and I want to take care of people you know, at the end of the day, when I'm done in real estate. I love, I love doing charity work. You know, you brought up Matt Andrews and with the family mastermind, you know, he loves charity, you know, and I love doing that kind of work. And then the second thing I really like, and this is, this is going to, this is going to surprise you is I like history. I like old things. So, you know, I'd like to dig up a few sites in the Middle East and...



Steve Trang 50:23

You'd like to dig up sites?



Mike Fitzgerald 50:25

Yeah, I really, I really like burial. I really like ancient history.



Steve Trang 50:28

Interesting.



Mike Fitzgerald 50:29

I really like I really wouldn't mind sponsoring some of the excavation of that. And it's just really interesting to me, especially ancient texts, and everything else.

S Steve Trang 50:40
That's fascinating.

M Mike Fitzgerald 50:41
You know, at the end of the day, I want to have enough to where I can, where I can do that. And just off interest, right off the rent money. And I can also do the things I want to do for my family, and I love charity, especially children's charities, you know. Children are just their future and a child doesn't have a choice, you know, when, when I was growing up, you know, you don't have a choice in how you grow up, you have a choice in what you do when you grow up. And I like, I like being able to help youth.

S Steve Trang 51:09
Yeah, that's powerful. And I think the, what's important here is like, we all start with money and our family, like that's, that's where we all start. But that's not where we all end, right? Because that's where you start, you can stop very early. You can rest on your laurels very quickly, right? A matter through 2, 3, 4 or 5 years. That's not what's gonna keep you going. So what's gonna keep you going to have a bigger Why and so you kind of talked about taking care of people, charities, your excavations. So Toby has a question: Do you find multifamily to be more attractive than single family?

M Mike Fitzgerald 51:48
Yeah, that's a good question. I like them both, they're both attractive to me, attractive to me. Kind of like Bitcoin and Elon Musk. You know, I, I like, I like single-families, because you generally get longer and longer tenants and the residents are there a long time and it's really consistent. I like multi-families, which are also consistent because you have more people in one place, and usually they're higher income earners. You know, I'd say if you're just starting out and you haven't bought your first rental yet, stay at a single-family or two units, you know, don't overwhelm yourself. Learn the in's and out's and, you know, really learn what you're doing. But I like them both equally to answer that.

S Steve Trang 52:30
As your company grew, and your deal count went up, other than experience, what allowed you to continue growing?

M

Mike Fitzgerald 52:37

Taking action, moving forward doing different types of deals. You know what, at the end of the day, I'm a pretty diverse guy. I've done, I've done land deals, I've done office building deals, I've done condos, I build new homes. I decided that wasn't for me, but at one point, I think in 2013, I built 12 or 13 new homes. And I've... I just kept moving forward and finding what I like you know, today, I think it's um, I have a large rental portfolio. I think it's wholesaling and buying, buying a hold asset. Here and there's and running the fund is where I'm at today. But along the way, it was looking at everything that came before me and saying at the end of the day, how long is this going to take me? What's the return? And moving forward. You don't want to limit yourself to what comes in front of you. You want to you want to limit yourself to what makes the most sense.

S

Steve Trang 53:26

Yeah, absolutely. I love that. All right, so we got no more questions.

M

Mike Fitzgerald 53:31

So guys, come on, let me ask me a question. Let me help you.

S

Steve Trang 53:36

Please, fire away, right? I mean, Mike flew in from Maryland and the guy's obviously a wealth of knowledge. Like you're talking about a superpower being networking, I would say your superpower -- I barely know you -- But from what I've seen, it's just not taking no for an answer.

M

Mike Fitzgerald 53:50

I don't take no but I've, I have congressional recognition, Senate recognition. I have a credibility website. I can I can send everybody on this. But I've been able to make friendships in the Middle East. I've been able to make friendships with you know, different political figures. I've been able to make friendships. I've... Santana Moss is a good friend of mine, a football player. I have some really good UFC fighter friends and an MMA gold team. So I've, whenever you're out, you know, meet people, talk to people, find out what they do. And there's a lot of great people in this world and you never know it until... You know how I met MMA gold team? I was in an airport security line. And I just started talking to them and I gave them my business card and it was a UFC fighter, Aspen Ladd and the head of MMA gold team, Jim West Gold. From that they actually took me behind the scenes into UFC, I got to sit in front of a fight with Aspen and all the top fighters and I just

created a good friendship. So you know the world... the world really is a great place with a lot of great people and until you get out there and you talk to people and you keep your mind open. You don't know what you're truly capable

S Steve Trang 55:00

Absolutely. Gregory Ballard wants to know how difficult was it to start a fund?

M Mike Fitzgerald 55:06

So that really I have a great partner with a lot of experience. So we actually went through an attorney, they did a lot of the work, it's a Reg D fund with SEC, and it, I'd say if you use an attorney, it's not that hard. I would not recommend starting a fund on your own. If you're just doing a fund to buy and sell real estate, I'd probably look at borrowing the money on a mortgage. But if you really want to start a fund, I'd hire a qualified attorney. And have them do the PPM, the private placement memorandum, and all the paperwork. You definitely want to cross your T's and dot your I's with that.

S Steve Trang 55:40

Yes you do, you don't want to mess around with the SEC. How would one, how would somebody go about finding a qualified attorney to do to do that?

M Mike Fitzgerald 55:49

Google?

S Steve Trang 55:50

Google

M Mike Fitzgerald 55:50

Attorney, set up a fund.

S Steve Trang 55:53

I was just, maybe there was another resource?

M

Mike Fitzgerald 55:55

No you gotta, you got to keep it simple. You know, too many people complicate everything too many people go out there and they want to start a real estate and are like, well, if I find a deal, how am I going to buy the deal? If I want to buy the deal? What if something goes wrong when I do the deal? Well, if something goes wrong when I do the deal, but I get through the deal, what if I don't sell the deal? You know, you just if you don't, you just gotta move forward. Don't, don't think so much about what you want to do. Lay it out in executional action items, do those action items and move forward?

S

Steve Trang 56:23

Yeah, definitely. So let's say I took you right, plopped you out, dropped you... Well, I mean, you're in Phoenix now. So you know how many deals, you don't have any deals right now in Phoenix?

M

Mike Fitzgerald 56:33

I don't, but I could.

S

Steve Trang 56:35

Okay, so let's say you know, we confiscate your cell phone, give you a burner phone. How are you doing deals right now? Right?

M

Mike Fitzgerald 56:44

If I just had a burner phone?

S

Steve Trang 56:45

If you had no contacts, right, we had no relationships. How would Mike start?

M

Mike Fitzgerald 56:48

I would, I would start walking around looking for houses that are a little bit rundown and start knocking on doors. I'd go to the courthouse or I go to the courthouse online. I'd, I'd figure out you know, who may need help, that's behind on payments, but divorces and I'd started making phone calls. I'd get it done. I mean, if you want to give me a burner phone today, Steve, you really want to test me? I'll get 50 calls and maybe a deal tomorrow.

S Steve Trang 57:10
Absolutely. Absolutely. I love it. Very cool. All right so...

M Mike Fitzgerald 57:12
So the point is, you don't need money to invest in real estate. You need, you need some time, and you need to do it. You know, if you look at my first deals, I didn't do money. I didn't need money to do my first deals the way I did them. And you there's always someone out there that, whether it's family, whether it's a friend, whether it's somebody you just go up to. To me, it was just I just started going up to people saying, I made a little credibility packet that had hey, here's who my attorney was, here's who my CPA was, as some real estate guys, the Real Estate Association, if I could put them on there as my advisors, and just started going up to people saying, Hey, I'm looking to raise money to buy and sell real estat., I can give you 12% on your money or 15% at the time. And now I still pay 10% to a lot of the private guys, but it's it's been a, it's been a good run.

S Steve Trang 58:03
Yeah, it's incredible. And I think that... there's something that... so I announced a free wholesaling course, right? So over the New Year's, it's like, Hey, guys, for 2021 I'm going to create a free wholesaling course that's better than any other wholesaling course you've ever seen out there and it's going to be free.

M Mike Fitzgerald 58:18
Everybody should sign up for it. I'll sign up for it probably. If you learn one thing you didn't know before it's it's an advancement. Absolutely.

S Steve Trang 58:25
So I, as part of that I asked everyone to submit a question. And more than half the questions we got was how do I get started and I countered that with you guys actually already know what to do because you guys have been watching this show. So it's not what do you need to get started? It's just freakin start. Anything you want to add to that?

M Mike Fitzgerald 58:47
You just start just start doing it when I went out to when I went out and you brought up Khan earlier to visit him. First thing we do is start driving around looking for properties

and pulling lists. Just do it if you don't have money to do direct mail call the people direct, and have a friend call him direct. But just call the people and find your first real estate deal and move forward. Real estate, you know I've heard a lot of times that over 90% of millionaires and wealthy people had some form of the first part of their wealth created through real estate and real estate's an amazing vehicle. It's an amazing vehicle to live your dream life do things you want to do and create other opportunities. I encourage anybody that anybody listen to this podcast my assumption is you want to do real estate. So go to your local real estate association, ask questions, and try to get your first deal that's no money down, a division of proceeds, to subject to contract read the contract twice before you go in and act like you've done it 100 times.

S

Steve Trang 59:44

So we got a question here. from Ollie, is you told us about your best deal so far. What's your worst experience our deal?

M

Mike Fitzgerald 59:53

That's a good question. Um worst experience or deal? Okay, I'm not... so worst deal. I have my... I'm trying to think because, uh, you know, in real estate, I've had a few learning lessons. They're kind of like college degrees. [Yeah.] Um, I would say, the worst deals, I'm gonna I'm gonna blanket this, okay, so, but the worst deals which I've always paid all my interest on they, they come from letting it sit too long. In real estate, if you're passive if anything, if you give something to someone else to control and you're not watching it and you're not working through it, that can create a loss. So my worst deal -- I myself now my investors had to pay a few \$100,000 for the deal. But at the end of the day, I look at it as it's a beautiful property, and it's a good piece of credibility. So yeah, I would say that in the beginning, I didn't have you know, when you're just buying and selling and wholesaling just houses. If you're buying right, you're not going to come across a lot of losses. If you do an the next deal is going to make up for it. And once you get into the bigger deals, you got to be a lot more cautious.

S

Steve Trang 1:01:15

Yeah. One thing you mentioned just a moment ago, was that you, you, you want to do more wholesaling. I was on a Clubhouse with Matt Andrews, and he had finagled Grant Cardone be on that. And Grant Cardone said that you guys are idiots if you guys are going to keep wholesaling. So you know, we get big enough, you just keep everything you don't wholesale anymore. Any thoughts on that?

M

Mike Fitzgerald 1:01:43

You know, I I don't know Grant Cardone personally, but I have respect for what he does. You know, obviously, he's an amazing guy. I think wholesaling is a good vehicle to keep what you want. I don't, I don't necessarily believe in keeping everything. You should keep what you want. And right now, you know, what I want is nicer apartment buildings, nicer houses and nicer complexes. You know, you if you keep everything, then... I guess you still make just as much money in equity growth and paying it down for sure. But I disagree with Grant Cardone's advice there. I would say wholesaling is a very good vehicle to keep an eye on what you want and keep the right properties.

M

Mike Fitzgerald 1:02:24

So if I had a Class A apartment, I wanted to send it to Mike, how would I go about doing that?

M

Mike Fitzgerald 1:02:27

Oh, call me right up. Mike2TheFitz on Instagram. Or send me a personal email. Did you have numbers off the top of your head? How many doors, what's it bringing in?

S

Steve Trang 1:02:36

I don't I'm just curious because you might you might be looking for more deals.

M

Mike Fitzgerald 1:02:39

Yeah, definitely. You know, and right now the apartment complexes I'm after more like the B and hom a class. Yeah. Plus I sell deals, you know, I have some turnkey apartments we manage. And I still raise money to buy and sell real estate. I pay 10% on the money. And I have a fund. So I have with the fund, of course no investment is guaranteed, investments at your risk. We do have third party administrators and we have a good record. With my real estate. I've paid every single loan as agreed I've done everything I'm supposed to do. And I've done... You know, I'd estimate definitely north of 1,500 transactions. So I love my real estate business. You know, I loved rehabbing. But if you're rehabbing 60, 70 homes a year, you don't necessarily have the time to do other things. But some people want to rehab forever. If it's what you want to do, what makes you happy.

S

Steve Trang 1:03:28

It's your passion. So Jason Toledo wants to know, How do you keep your edge in this business, as far as health and mentality?

M

Mike Fitzgerald 1:03:36

I go to my masterminds. So as far as health and mentality, you know, I've been focused on getting up at 4:30, 5 o'clock every single morning, reading meditating a little bit before I go out there for the day. And during weeks, I had my son, I tried to cut it off at around 5 or 5:30. You know, it's easy in this business just to keep it going, going, going, going.

S

Steve Trang 1:04:03

There's no end.

M

Mike Fitzgerald 1:04:03

But you got to take time for family and you got to look if there's no end, you got to look at who can do this. For me. I remember when I first started getting other people to do stuff for me back when I had my office manager. It's amazing what you can do with other people. And I'd save a trick is for any other people you're hiring, whether it be a VA virtual assistant and, you know, Robert Nickel, a good friend of mine, has a good program they're about \$1,700 a month with rocket station or it's a it's an employee, you want to say hey, what I'm giving this person is that making me two to five times what that person is costing me. If it is they're very good hire and if it did give it gives you free time it gives you quality of life. You know, you don't have to wait till you're five years in real estate to hire an employee. You know if you're, if you're starting out and you did your first couple deals and you have you know, \$30,000, \$40,000 even \$20,000 in the bank, maybe hire virtual assistants, you'll be surprised what you can do. When you have other people helping you and you create a team.

S

Steve Trang 1:04:13

It's amazing what you can do. Larry wants to know, how is COVID affecting how you do your business? Besides not being able to shake hands anymore?

M

Mike Fitzgerald 1:05:11

Yes. So COVID is affected a lot, because I made some very good friendships around the country and around the world night, you know, those have really, didn't... I haven't been able to move us forward the way I like I'd like to. So I would say it's affected my ability, of

course, to shake hands and things like that. But also, it's affected everything. You know, in the office, we have to social distance. A lot of times, you know, even even wear a mask if somebody even thinks they're sick. So it affects how we meet with sellers. It affects, it absolutely affects advertising. Now more people are home. So digital advertising, seems to add a lot greater edge on Facebook and stuff now. COVID's affected everything across the board. I mean, I really hope six months from now COVID is over. I hope it's the bad dream. But it's definitely it's definitely affected. I'd say the biggest thing that affected us is how we place tenants, our residents, we we've increased all our standards to move someone in one of our places, because at the beginning of COVID a lot of folks just stopped paying and said, Well, I don't have to pay the governor said so, the government said so. So I'd say we've raised our standard on rentals, we have a lot more Zoom meetings and, and a lot less face to face contact. But we're still buying and selling real estate. We're still wholesaling. And it's actually it's, it's probably going to lower our marketing costs because we started some Facebook campaigns and we're getting, we're getting good leads from digital marketing, that's even less. So anything that happens no matter who's president, you can still make money. Right? You know, the focus is to make money and it's change. with that. I like to think about early years through all the hurdles I faced I've stayed in business by changing with the times, right? And by moving forward with the time So always be willing to adapt?

M

Mike Fitzgerald 1:07:10

Absolutely. Gregory Ballard wants to know, if you were starting from zero, how would you get your first commercial deal? If you're starting from zero, I would recommend wholesaling your first commercial deal. When you're doing something like that, and you're doing... you got to make sure... if you have a private investor and you're buying, say a \$200,000 commercial property for \$100,000. And you're pulling, you're pulling out \$50,000 and it needs \$20,000, you have enough money, you got to remember when you're doing these type of deals, you're going to put some money into them. If this is your first deal, and you have no money, I'd recommend wholesaling a commercial deal. And it's funny, you said that there's a young lady in California that called me up and had her first commercial deal. And she was debating wholesaling and are buying it and holding it as a rental. I said, Look, this looks like it's going to make \$4,000 a month. But what if it doesn't for three months? You should you should buy it and sell it or wholesale. And actually, it's what she did. I think she lined up some hard money. She's buying it and selling it and making I think like \$75,000. So I would say if you want to do your first commercial deal, put it under contract and sell it to someone else. How do you find someone else? Look at everybody else, you know, it's commercial property in an area, look at what they paid for it and give them a call.



Steve Trang 1:08:21

There you go. Ali wants to know, most successful entrepreneurs have a daily routine, what is yours?



Mike Fitzgerald 1:08:28

My daily routine is to generally get up around 4:30, 5 o'clock in the morning. When we settle at my son, I, I tend to work a little bit late. But I try to stay balanced. I try to stay healthy. Recently, about a year and a half or a year ago I was, I'd actually let myself get up to 215 pounds, and now I'm down to like 165, 170. And, you know, I stay pretty balanced with working out three times a week, trying to read something every day other than, other than real estate and other than business. Even though I'd rather be reading real estate and business, and really just trying to make sure I spend time with my family, call, call my parents, you know, every night I might call family members see how they're doing now. That's awesome. And I'd like to get it to where I can we are getting it to where I don't have to work, you know, more 15 hours a week. But I'm going to do it because I love it. So I'd say you know stay balanced, eat right, and it makes sure that you you're reading, you're you're you're spending time talking to family because ultimately that's what matters in the end. You know, I know I love real estate. I know I love building. I know, you know one day I'd like to do some archaeology, dig up cities that are 300 feet under the ground. You know everything else but you know, your family, especially your older relatives, are only going to be there so long. You know, think about what's important today. And that definitely helps you stay balanced in life. What's important for the future by looking at today.



Steve Trang 1:10:03

Yep. Huey wants to know which VA service was it that you recommended, again?



Mike Fitzgerald 1:10:06

Rocket Station, Robert Nickel. So if you want to message me on Instagram at Mike2theFitz, and I'll be tagged on the podcast after this. And I'll connect you with him directly. [Cool.] And also for Real Estate Software. I use InvestorFuse. And they've really honed in their new software. And that's going really well as well.



Steve Trang 1:10:37

So one thing that Huey was saying is sometimes he gets discouraged, because he doesn't have consistent deal flow. How do you stay focused and train your mind?

M Mike Fitzgerald 1:10:45
So I got really discouraged in my first year, I was like, why does it take me two or three months for every deal I find? Then my next year, why does it take me a month, month and a half, three weeks for every deal I find? It gets easier and easier. What you do is you keep looking, you take more action to find deals, and then one day, you're gonna say, Hey, I can just work one day and have a deal a month.

S Steve Trang 1:11:05
Yeah. Awesome. Very cool. All right. So we'll wrap up here guys, if this was helpful, please Like it, Share, Comment -- it helps the algorithms.

M Mike Fitzgerald 1:11:16
Let me say this too. Steve really has his heart in this and he really wants to help you guys. He wants to show you guys how you can not only better yourselves today, but you can have dreams you want for tomorrow. You know, I I get invited on multiple podcasts. I flew out and I did this one because of who Steve is and where it's heart's at. So I'd encourage you to listen like and subscribe to his podcast.

S Steve Trang 1:11:37
I appreciate that. Thank you. Thank you very much. And then guys tune in next week we had Tiffany High, coming out from Ohio. She's going to talk about how to scale to \$200,000 a month by focusing on KPIs which I know it's one of those things that no one likes to look at. Last thoughts...

M Mike Fitzgerald 1:11:54
When you grow in real estate you will learn to love KPIs...

S Steve Trang 1:11:57
They're like vegetables.

M Mike Fitzgerald 1:11:58
because they, they save you a lot of money.

S Steve Trang 1:12:00
A lot of money. [Yes.]

S Steve Trang 1:12:01
So what are some last thoughts you'd like to leave the listeners with?

S Steve Trang 1:12:04
So last thoughts... You know take massive action Khan likes to say this and I told him this years ago, action plus action equals massive actions and results are inevitable. You know, if you dream, it you can do it. The world you dream of tomorrow, it depends on what you do today. And if you take action, you're gonna have it.

S Steve Trang 1:12:22
I love it. That's it. If we had a mic that we could drop, we would drop it

M Mike Fitzgerald 1:12:26
Thank you. Gotcha.

S Steve Trang 1:12:27
So Mike2theFitz, Mike2theFitz on Instagram guys. All right. Thank you guys for watching. Thank you. Appreciate you coming on man. This is awesome.

M Mike Fitzgerald 1:12:40
Thank you.