



**TRAINING 3.0 WORKBOOK:
INTRO TO JOINT
VENTURING ON EMD**



EST.

imarketing.courses
BEST PLACE TO LEARN !

2021

Table of Contents

Subject **Page Number**

3.1. Quiz Time!	5
3.2. What is Wholesaling?	7
3.3. Intro to Joint Venturing on EMD	9
3.4. But What if the Deal Cancels?	10
3.5. Gator Mindset & Inspiration: Protect Your Downside	11

Disclaimer

I am not a CPA, attorney, insurance, contractor, lender, or financial advisor. The content in this document shall not be construed as tax, legal, insurance, construction, engineering, health & safety, electrical, financial advice, or other, and may be outdated or inaccurate; it is your responsibility to verify all information yourself. This is material for entertainment purposes ONLY.



Notes Page

Use this page to make your own notes or to write down questions that come to mind as you work through this workbook.

NOTE: On **ANY** of the date boxes below or **ANYWHERE** in this entire document where you are prompted to fill in a blank or take notes, you are able to do so by clicking in the grey area and typing as much as you like!

This image shows a full page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page, typical of notebook paper. There are no margins, text, or other markings on the page.

Gator Planner

Month:

Year:

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday

NOTES:



EST.

imarketing.courses

BEST PLACE TO LEARN !

2021

3.1. Quiz Time!

Can your Gator brain pass the test?

Fill in the blanks-

Gator Method isn't necessarily "lending." You will form a _____ with someone else who has a real estate deal, but needs a _____ you have to complete the transaction.

- ① **Private Money Lenders** care about _____, but Gators care about _____.
- ② **In 2.0, you learned the cautionary tale of the Gator who lost his money in Houston, TX. How did the Gator lose his money?**

- A. He lost it betting on the Houston Texans football team.
- B. The title companies chose not to return it.
- C. He didn't have the right paperwork and the seller refused to release it.
- D. He lost his wallet while visiting NASA.

Which letter has the right answer? ____

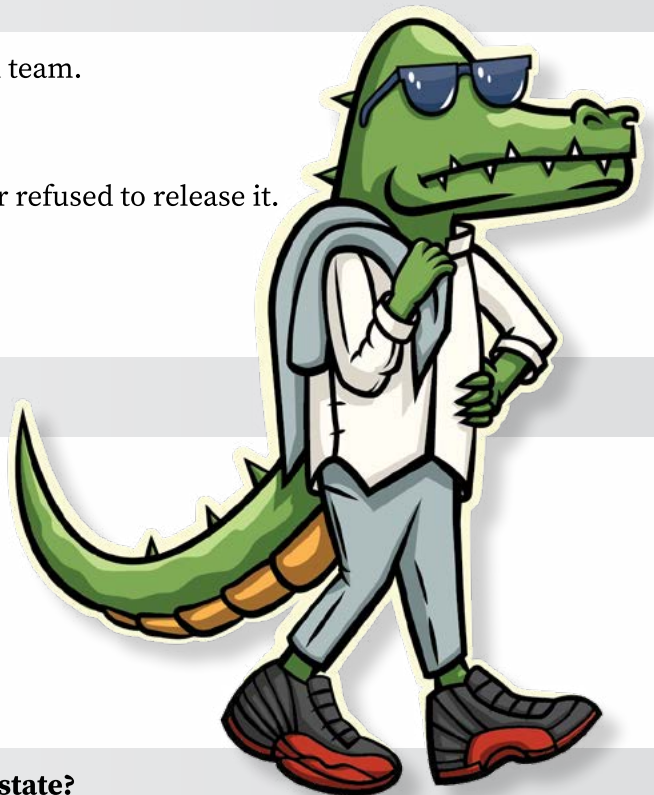
- ③ **EMD stands for:**

- A. Earnest money deposit
- B. Eat more dairy
- C. Early money down
- D. Enhanced monetary deposit

Which letter has the right answer? ____

- ④ **What is an example of a "mutual release of EMD" state?**

- ⑤ **Why is Arizona the greatest state in the U.S.(or at least when it comes to Gator Method)?**



6 Why is the new Wholesale Contract so revolutionary?

- A. It's the 1st real wholesale contract ever drafted.
- B. This contract gets rid of the "mutual release of EMD" issue- the arch nemesis of Gators.
- C. It will let you get paid no matter what.
- D. All the cool investors like Jamil Damji, Brent Daniels, and Cody Sperber- use this contract

Which letter has the right answer? ____

7 Why should you help "pass this contract around like candy?"

- A. Actually you should not pass it around. This contract cost a lot of money- just keep it for yourself!
- B. It contains contractual language that gets rid of mutual release of EMD.
- C. It is better for your Gator Method business if this contract becomes the standard A.S.A.P.
- D. Both B and C

Which letter has the right answer? ____

8 Fill in the blanks-

If the paperwork you use in your Gator Method business is the 1st layer of protection for your money, picking up the phone and talking to the _____ or _____ (depending on what state you're in) is your 2nd layer of protection.
It is vital that you speak with them and confirm their understanding of the paperwork you're using and that you will get your EMD back no matter what.

9 Why are you choosing to invest your time and money into learning Gator Method?

10 How is your new business going to change your life?

Nice work keeping your eye on the



3.2. What is Wholesaling?

Before we jump in the 1st Gator Method strategy, we need to make sure everyone knows what wholesaling is and what a wholesale transaction looks like.

Wholesaling is a foundation of the business world. But most consumers are not aware of this.

The price you pay for products at the store is higher than what the store bought it for. That's how stores make their money and stay in business.

Let's use your T.V. as an example. Below is a very basic diagram of how your T.V. got to you.



Your T.V. is made by a factory, who needs to sell it to a store to make money.

A store buys your T.V. from the factory at a wholesale price. Let's pretend the price was \$1,000. The price you pay for products at the store is higher than what the store bought it for. That's how stores make their money and stay in business.

The store sells your T.V. to you at a retail price. Let's pretend you bought the T.V. for \$1,500. So the store made \$500, but if it has \$400 in costs to sell the T.V. to you, the store only makes \$100 in profit to keep.



Now, let's apply this concept to **real estate wholesaling**.

Except now we have:

The Seller - the person selling their house

The Wholesaler (WS) - the “middleman” (like the store in the previous example)

The End Buyer (EB) - the investor who buys the house in the end

Seller's “Ugly” House - the product being wholesaled (not fit for retail)



Seller and Wholesaler sign a contract for WS to buy the ugly house for a certain price. Buy Price From Seller to Wholesaler= \$50,000

Wholesaler agrees to sell their right to buy the ugly house to an End Buyer, an investor who wants to fix it up and keep it as a rental.

The EB and WS sign a contract for \$75,000, because, at that price, this is a great deal for them!

On closing day:

**The seller sells their ugly house and gets \$50,000.
The WS gets an assignment fee of \$25,000, the difference between the original contract price with the seller and the new contract price with the EB.**

The EB gets their new investment property, without having to go out and find the seller, negotiate, and spend a ton of time and money marketing!”

NOTE:

This is not a wholesaling course, so this mini-lesson will stop here.

However, there is plenty of information about wholesaling real estate online if you wish to learn more. In fact, Pace does a weekly YouTube show, Wholesale Hotline, which is a this popular exit-strategy.

3.3 Intro to Joint Venturing on EMD

Joint Venturing on EMD - Where Gator Method and Wholesaling Meet



So we know from previous learning that when you go under contract with a seller to buy their house, you're supposed to deposit earnest money with the title company, right?

What happens if the Wholesaler doesn't have the earnest money to deposit (which many new wholesalers don't)?

This is where a Gator steps in to solve that problem by using their line of credit to give the earnest money the title company. **The Gator will give their resource to the deal in order to squad up with the Wholesaler.**

In return, the Gator would negotiate with the Wholesaler to receive a chunk of the Wholesaler's assignment fee when the deal closes.

Very High-Level Overview of a "Perfect" Gator Method EMD Transaction

Wholesaler(WS) signs a contract with seller agreeing to buy the house. Assume "Pace's Wholesale Contract" used that protects EMD.

Gator decides to Joint Venture. Gator and WS complete JV agreement. Paperwork sent to title. Gator sends EMD TO TITLE ONLY - no one else!

The deal closes! Seller sells house. WS gets their assignment fee. EB gets their new house. Gator gets the chunk of WS fee they are due.

Milestone 1

Milestone 2

Milestone 3

Milestone 4

Milestone 5

Wholesaler asks Gator to provide EMD. Gator completes the "5 Steps to Evaluate Risk." (You will learn this in the next training)

WS secures an End Buyer(EB) before end of inspection period. EB sends EMD to title. Gator gets receipt of EB's deposit.

Training Preview

So this is diagram shows a "perfect" Joint Venturing on EMD deal, right? Where nothing goes wrong and the deal goes super-smooth.

Yeah right! Gators live in the real world, where no deal ever goes 100% perfectly. And remember Gators love the carcasses others leave behind.

As the famous entrepreneur, Sir Richard Branson says, **you have to always have a case scenario.** We'll deep dive into analyzing your risk in the next train

3.4. But What if the Deal Cancels?

Gators live in the real world and in the real world deals cancel.

Towards the end of the training video, a Gator asks Pace, **“What happens if the deal cancels past the inspection period (IP)?”**

So what if a Gator joint ventures EMD, but the Wholesaler can't find an End Buyer to pay a bigger EMD and buy the property? A typical IP only lasts 10-15 days. After that 10-15 days, the EMD “goes hard,” meaning the seller gets the earnest money no matter what.

Pace addressed 2 potential real-world scenarios in the video. In your own words answer the questions below. What action should the Gator take to protect their money in these 2 scenarios?



SCENARIO 1:

If an End Buyer has not been found by the day before the inspection period is up (or EB has not deposited EMD by then), what action should the Gator take?

SCENARIO 2:

The End Buyer does deposit EMD before the IP is up. Gator makes sure to get a copy of the receipt from the title company. But then Buyer cancels after the inspection is over and therefore has forfeited their EMD. The Gator's EMD is hard at this point and the seller will get it now no matter what. In this scenario, the seller is now entitled to the Gator's \$1,000 EMD. The EB deposited \$3,000 EMD which they have forfeited.

Does the Gator get anything or did they just lose their money?



3.5. Gator Mindset & Inspiration

Print this page & keep it nearby to help inspire you on your Gator Method journey.

Use Your “Layers of Protection” to Protect Your Downside

Proper Contracts and Paperwork

Talk to Title

Gator Due Diligence

Daily Transaction Monitoring

Taking Appropriate Action

***“It is only by being
bold that you get
anywhere.***

***If you are a risk taker,
then the art is to
protect the downside.”***

-Sir Richard Branson



EST.

imarketing.courses
BEST PLACE TO LEARN !

2021

Mini Workbook Conclusion Page

Nice work finishing finishing Gator Method 3.0: Intro to Joint Venturing on EMD.

The main learning objectives of this module were:

3.4. Intro to Joint Venturing on EMD

3.6. Gator Mindset & Inspiration: Protect Your Downside

Make sure you understand these topics well enough that you can explain them to someone else.

If you can't, review the course material for this objective.

Time to move on to Gator Method 4.0!



EST.

imarketing.courses
BEST PLACE TO LEARN !

2021