



# The Guting Group's ... Wealthy & Wise Digest

Volume 1, Issue 1

August, 2009

## Hot Deal of the Month

This is a cute and cozy 3 Bedroom home in Colonial Village, a solid working class neighborhood in Sacramento. It is conveniently located to freeways and is very close to Tahoe Park, a highly desirable area where many homes have been recently remodeled. Great curb appeal, ideal for quick-flip (over \$25,000 projected profit on a flip) or long-term hold.



**NOTE:** If you live out of the area, we have a project manager who can manage and oversee the entire rehab process for you. We can also facilitate selling or renting the property on your behalf so it's a simple push-button process for you!

**Address:** Bradford Dr.  
**City/State:** Sacramento, CA  
**Bedrooms/Bathrooms:** 3 bedrooms, 1 ½ bathrooms  
**Purchase Price:** \$66,000  
**Estimated Repairs:** \$22,675  
**Estimated After Repair Retail Value (ARV):** \$126,464  
**Estimated Market Monthly Rent:** \$1,000-1200

“Spend eighty percent of your time focusing on the opportunities of tomorrow rather than the problems of yesterday. “

-Brian Tracy

You Can Advertise Here

## Inside this issue

- Meet our Staff pg.2
- Millionaire Workshop pg.2
- Lease Option pg.2
- Investing pg.3
- Recipe of the Month pg.3
- Riddle of the Month pg.4

# Meet Mike Morrison



Mike Morrison,  
Chief Operations  
Officer

Mike Morrison is our Chief Operations Officer and the systems genius who makes sure we're always operating like a well-oiled machine. He has over 31 years of leadership and organizational experience, including management of multi-million dollar budgets, operations oversight, systems creation, team building, staff retention, and human resources management. He also has extensive development and construction experience in commercial real estate, and is also an experienced residential real estate investor.

Mike carries a Bachelor's degree in Government and Psychology. He derives genuine pleasure from transforming high-potential staff into outstanding team members and leaders demonstrating the creativity critical to financial and operational success. We are very fortunate to have Mike on our team.

*"The person who gets the farthest is generally the one who is willing to do and dare. The sure-thing boat never gets far from shore."*  
-Dale Carnegie

## Millionaire Real Estate Workshop

Several times each year, The Guting Group holds the Millionaire Real Estate Workshop. The Workshop covers topics such as;

- How to develop the mindset of a millionaire real estate investor.
- What's working and what's not in this crazy and volatile real estate climate.

- How to buy property at 30-80% below fair market value.
- How to create a positive cash flow of \$300-\$500 per month buying single family homes in California.

Don't miss our next workshop coming up in September.

Please contact our office for more information.

*"The Guting Group actually works with people,. You say "Here is a deal", and Robert Allen Says "go make it happen". The Guting Group brings it right to you" - L. Pitts*

*"Your teaching skills are what sets you apart, and how you can connect with everyone in the room at the same time."*  
- D. Knapp

## Lease Option



A contract in which an owner leases her house (usually for one to five years) to a tenant for a specific monthly rent, and which gives the tenant the right to buy the

house during or at the end of the lease period usually for a price established in advance. A lease option is often a good arrangement for a potential home buyer because it lets him move into a house he may buy without

having to come up with a down payment or financing at that time.

We have a Lease Option specialist on staff to answer all your questions.

# Investing

## Invest in DEALS Not Markets by Attorney William Bronchick

People who've always put their money in blue-chip stocks, bonds, and money-market accounts commonly think of real estate as being an inherently risky investment. While real estate can be risky, you can certainly limit that risk by educating yourself. My experience shows that certain types of investments in real estate can be inherently safer than others, particularly where there is uncertainty in the future of the market, whether it will go up or down.

After all, real estate is a survival game - anyone can make money in rising markets, but those who survive the down markets retire wealthy. Always invest in "safe" deals—and you'll survive long term in this business. Remember, there is no 100-percent "safe" deal, but being thoughtful, conservative, and defensive will increase your odds of long-term success in real estate investing whether markets are up or down.

Too many novice investors try to time the market and ride the waves of market appreciation. Certainly buying and selling at the perfect time (when the market peaks, for example) is the

easiest and most lucrative way to invest in real estate. It's also the most risky because few people have enough foresight to figure out where the top and bottom of the market are.

Instead of trying to guess the bottom and top of a market, stick to particular deals that make sense. In any market you can find particular bargains in solid neighborhoods that make sense. Buying houses at great bargains is easy when the market is soft and sellers are flexible. Even if you're in a hot market, you can still find homeowners who want to sell below market for reasons other than money, including the stress of a divorce, a death in the family, a job transfer, or other life changes. At times like these, people can be highly motivated to sell their houses quickly. If you're in a flat or falling market, you can either invest elsewhere or stay in your farm area and buy extremely cheap. Even if you seek emerging markets around the country, you can still end up with a bad deal that won't make you money.

In short, each deal must stand on its own. The late Will Rogers said, "Buy when others are selling and sell when people are buying." This may work for stocks because you can get in and out of a deal in a short time. However, in real estate, you can't expect to time the market in terms of days. Unless you're in a market where bidding wars occur and prices go up in a matter of days, plan your

strategies in terms of months and possibly years.

Stick to reasonably-priced, single-family homes in good neighborhoods that you can buy at a discount because they need a little work. Keep the base of your investing portfolio in basic, cookie-cutter homes that are in the median price range of your city or below. These homes are easy to rent, easy to sell, easy to fix and easy to finance. Once you've mastered this, you can move on to the more exotic properties, such as multi-family, commercial or resort condos.

Certainly when prices are rising, a new condo by the beach or a 10-percent appreciation on a million-dollar house seems like a good way to make a fast buck. Nevertheless, being a prudent investor often means going with the lowest risk investment on a consistent basis, not shooting for the moon. Ask any good football coach the key to consistently winning and it's not the "hail Mary" pass. It's making first down over and over by moving the ball down the field a few yards at a time.

## Recipe of the Month

1/2 cup flaked cooked crabmeat  
1/2 cup cooked small shrimp  
2 tablespoons peeled and diced cucumber  
1 tablespoon mayonnaise  
1 teaspoon chopped fresh parsley  
1 pinch salt 1 pinch ground black pepper  
1 pinch paprika 1 avocado

## Seafood Stuffed Avocados



1. In a bowl, mix the crab, shrimp, cucumber, mayonnaise, and parsley. Season with salt, and pepper. Cover, and chill until serving.
2. Slice the avocados lengthwise, and remove the pit. Scoop out the flesh of the avocado, leaving about 1/2 inch on the peel. Spoon the seafood mixture into the hollowed centers of the avocado halves. Sprinkle the tops with paprika.

## The Guting Group

*"Providing Cash-Flow & Wealth-Building Opportunities in Real Estate"*

6750 Folsom Blvd. Ste. 245  
Sacramento, CA 95819

Phone: (916) 393-5400

Fax: (916) 456-1067

Website:

[www.TheGutingGroup.com](http://www.TheGutingGroup.com)

If you are interested in advertising or sponsorship opportunities;

Please contact Nicole France at  
[Nicole@thegutinggroup.com](mailto:Nicole@thegutinggroup.com)



## Einstein's Riddle

Some have said Einstein's riddle is the worlds hardest riddle. It isn't. The story is that Albert Einstein created it as a young man, and claimed that 98% of the world population couldn't solve it. Though I'm not certain of the true origin, it is a tough one, and it is a good way to exercise your brainpower. Here it is:

- There are five houses next to each other on a street, painted five different colors.

- A person of different nationality lives in each house.

- The five home owners each drink a different beverage, smoke a different brand of cigar and keep a different pet.

Einstein's riddle is simply this: Who owns the fish?

Of course, you need the necessary clues:

1. The British man lives in a red house.
2. The Swedish man keeps dogs as pets.
3. The Danish man drinks tea.

4. The Green house is next to, and on the left of the White house.

5. The owner of the Green house drinks coffee.

6. The person who smokes Pall Mall rears birds.

7. The owner of the Yellow house smokes Dunhill.

8. The man living in the center house drinks milk.

9. The Norwegian lives in the first house.

10. The man who smokes Blends lives next to the one who keeps cats.

11. The man who keeps horses lives next to the man who smokes Dunhill.

12. The man who smokes Blue Master drinks beer.

13. The German smokes Prince.

14. The Norwegian lives next to the blue house.

15. The Blends smoker lives next to the one who drinks water.

First of all, a chart is the most useful tool for riddles like this. Make a chart with five columns for the five houses, and five rows for house color, nationality, type of drink, type of cigar, and finally, pets. This gives you 25 boxes to fill in. Since clue #8 states the man in the middle house drinks milk, you can start by filling in that one.

Now you are on your own. This is a decent riddle, and especially fun for those who like riddles with systematic solutions. Even if you can't get the solution, you'll get a good mental workout doing Einstein's riddle.

Steve Gillman has been studying brainpower and related topics for years. For the solution to Einstein's Riddle, visit: <http://www.IncreaseBrainPower.com/einsteins-riddle.html>

**You Can Advertise Here**