

Exclusive Judgment, Liens & Options Interview



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This is a transcript of the audio interview.

Mark Walters: Hey, Mark here and in this call we're going to talk about Judgment Investing and we've got a real treat here because we're going to be talking with a gentleman by the name of Mike Warren. Now Mike is a real estate investor who's an expert in creating multiple income streams. He's taught people not only in the United States, but literally all around the world how to be investing in judgment.

So he's an expert internationally on this because this is a virtual business and he's been investing in judgment since 1985. So, it's a real privilege to be able to listen as Mike shares some of his insights on judgment investing with us. How are you doing Mike?

Mike Warren: Hey Mark, I'm doing great. And hi everybody, thank you very much for being on the call with us, I hope that you all get a lot out of this. I really encourage everybody to grab a pen and paper and take a lot of notes because depending on the questions that Mark's going to throw at me I'll kind of go rapid fire, but you probably won't remember it all. So you really want to try to take some good notes.

Mark Walters: Excellent. We're very lucky to have Mike on the call because he's actually driving to the airport right now. He's truly in demand. I've been trying to set this up for a long time. So bear with us on that, but this is going to be really great. So Mike, for those of you that don't know who you are, would you please give us some background?

Mike Warren: Sure, I'd be happy to. I've been investing since 1985. I actually started out with judgments and I've gone on to not only invest with judgments and making money from them - and back in the day when I started marking out none of this stuff was online, so I had to do everything manually through the courthouse. It was a lot more labor intensive then it is now. And with the profits that I was making with judgments I actually paid my way through undergraduate school and got a couple of MBA's, never took out a student loan doing it, and all though private colleges and stuff.

Judgments have been very, very good to me and allowed me to have the capital that I need to go on and buy residential property, HUD homes, commercial properties, I've done assisted living - I guess I have an issue with Attention Deficit Disorder because I like to do lots of different things. But I always go back to judgments because it's super easy and super profitable.

But Mark you know, here's the challenge I find with judgment investing - it's boring. It just doesn't have the sex appeal like "Ooh I did a short sale and made \$100,000"; because while I can make \$100,000 on a judgment, it's so much easier for me to make \$5,000 or \$10,000 a month with judgments rather than making it in a \$100,000 one time deal, but I can do that every single month like clockwork,

just like my students do around the world and they never are doing any rehabs on houses and stuff like that.

So I'd rather have I guess that cash flow that comes in nice and easily even though it's kind of Boring. I say it's boring and maybe it's boring to me because I've done it for so long, but essentially I have to do some research, do a little paperwork and you get paid. That's it. It's boring because it's the same thing over and over again.

Mark Walters: Well that's great. When you mentioned boring Mike I think well then some people will be going for some of the things that have a little more sizzle, which means less people are doing the judgment investing, which adds up to less competition. Is that kind of what you're finding?

Mike Warren: Well you know, you could look at it that way, but to me I don't look at it like that Mark and here's why. It's because there's so much business out there. I've done my research and I've talked to the court clerks and checked out the numbers. The judgment stuff; this is actually a two trillion, with the letter "T", a two trillion dollar industry that nobody knows about.

And even when I go out, like I'm headed over to Donald Trump's office, that's exactly where I'm flying this weekend, so even when I go and I teach classes and I show people how to make money with judgments, and even if all of them decided to work in the same town all at the same time, it would not matter because there's millions upon millions upon millions of judgments that are sitting out there of which 85% of them that are out there remain unpaid or unsatisfied. And that's just a huge number.

And it's mind boggling with people look at it and they're like "Well how come everybody else isn't doing this?" And my easy answer to that is "Well did you know about this before you came to this event or before you attended this seminar or training" and they're answer is "No" and I'm like "Well there's your answer because nobody else knows about it either."

Mark Walters: Yeah, it's not something that you see on the front pages of the newspapers or things like that, which is great for everyone listening because you just said "There's tons of opportunity and it's always coming"; a two trillion dollar industry pretty much says it right there.

Hey Mike, for those people that aren't sure what judgment investing is, would you please give them a little overview of it here please?

Mike Warren: Sure. And it's actually really easy to learn. There's several different ways that you can look at judgment investing, but let's try to make this as simple as possible. Let's say that you go and you watch one of these court shows on TV like "Judge Judy" or "Judge Brown" or like when I started the original judge, "Judge Wapner" on the People's Court and unlike those court TV shows which

will pay for the person who loses, well if somebody else to court in America today, which we're a very "sue happy" society, if somebody takes somebody to court and the person loses, well that person is called the debtor and the person that wins is called the creditor.

Well the creditor now has this judgment against the debtor. So the court says "Yes Mr. Debtor you owe the creditor "X" amount of dollars and you have to pay it". Well the challenge is, they've got that piece of paper, the creditor has that piece of paper that says the debtor has to pay but in almost all situations the debtor doesn't pay. So it's up to the creditor to figure out "Well how do I actually make money on this piece of paper", and that piece of paper is called a judgment, which is a court order saying that the debtor has to pay.

So there's lots of ways that the court system has set up, ways that you could force the debtor to pay - in fact I actually teach Mark, 25 different ways to force a debtor to pay off a debt. Now, that's old school to me - I have old school and I have new school. I think we'll get into some of the new school ways of making money with judgments here in a little bit. But I teach 25 ways of forcing the debtor to pay their debt all through the courses.

So I don't talk to people, I don't talk to any debtors. I don't go to court and I do everything by mail and all the paperwork, or most of the paperwork I should say, is provided to me by the court system. I have specific papers that I have between me and the creditor that allow me to gain control of that judgment so I can actually - get this Mark - I can make money on these judgments without taking any money out of my pocket.

So I can literally have thousands of dollars in income coming in every single month with either zero or maybe \$10 or \$20 out of my pocket; it's just a phenomenal business. Did I explain that okay?

Mark Walters:

You did a great job Mike, great job. Now, based on your answer there that leads to another question that people oftentimes have. And that is do you buy these judgments outright or do you control them and take a percentage of what you're able to collect? How does that work exactly?

Mike Warren:

Well actually I do both. Let's kind of look at both scenarios. Let's start with what I call a purchase method and then we'll talk about what's called a contingency method. In the purchase method I'm going to go in, and this is where I'll actually use money out of my pocket to buy it. So, one nice thing is that the IRS allows us to buy judgments inside our retirement portfolio. So my 401K, my kids IRA's; stuff like that, I can actually buy judgments inside those retirements.

You might say "Well why would you want to do that?" Well let's go through an example. Let's say we have a judgment that's \$10,000 in value and it's three years old. Well when I look at a \$10,000 judgment in today's market, I'm actually

Mark, in this market right now, I'm paying somewhere between three and five cents on the dollar to buy that \$10,000 judgment. SO I'm paying somewhere between \$300 and \$500 to buy that judgment.

But let's say just throwing numbers in math that's nice and easy for everybody to kind of do this in their head without having to pull out a calculator, let's say we buy this judgment at ten cents on the dollar. So we're going to take that \$10,000 judgment and we're going to buy it for ten cents on the dollar or \$1,000. Now I buy it and what I like to do is I like to buy judgments that are sitting there, specifically attached to property and we can try to talk about that later if you want to, but I like to have them sitting there attached to property where the debtors can't sell or refinance any of their property without paying me off so I've got some collateral there.

So when I'm buying a judgment, a \$10,000 judgment, I buy it for \$1,000. Well the judgments around the country, around the United States, they gain interest at about an average of 10% per year. Now, it goes up as high as 18%, but the average is about 10%. So a \$10,000 judgment at 10% a year is gaining \$1,000 [inaudible - phone breaking up - 00:09:25].

...how much am I going to make on my money per year? Well I'm making just in interest alone \$1,000 and I have \$1,000 investment so I'm making 100% on my money per year in interest alone, and I can [inaudible - phone breaking up - 00:09:45]. You know Mark there aren't a lot of places where you can invest legally, ethically, and with the IRS's permission and blessing saying "Go ahead and do it" and earn 100% on your money per year.

So, when I'm buying judgments, that's typically what I'm looking to do, making that interest. Now, let me finish up that example. Remember I said that judgment was three years old. At \$1,000 a year in interest and three years old it's got \$3,000 in interest. So I bought that \$10,000 judgment plus three years interest, so it now has a total value of \$13,000. I bought it for \$1,000. So when it pays off it's going to pay off at \$13,000; it won't pay off at the \$1,000 I bought it for. So if you look at it I just made \$13,000 on a \$1,000 investment.

I mean my net profits 12; you take out the thousand I invested so I have a net profit of 12. Is that Mark, from your perspective; is that a good rate of return on my investment?

Mark Walters: It's a wonderful rate of return, everybody would agree. I'm sure everybody is nodding up and down right now Mike.

Mike Warren: Good. I certainly hope they are. So let's transition this into a contingency. So let's say I talk to my creditor and I say "I'm willing to buy this judgment from you", but I offer to max it 10% and they said "Nah, I got to have at least 50%". Well, I'm not willing to pay 50 cents on a dollar, but I will collect their judgment for them on their behalf for 50 cents on the dollar; meaning that I don't take any

of my money out of my pocket up front. So the creditor essentially rides along with me while we attempt to collect on the judgment. So I can actually collect on somebody's behalf and I keep 50% of everything I collected.

So if we go back to our \$10,000 judgment, I go out and I collect on it. Well it's got three years interest so it's really worth \$13,000. I have no money invested into this deal. I file some basic paperwork that's required to file by the court in order to collect on the judgment. That might cost me somewhere between \$20 and \$40, maybe \$50 to file the paperwork by the court, of which, by the way, I get that money back from the debtor in addition to the amount they already owe. So I'm not losing money here, I get that back from the debtor.

So if I collect the \$13,000 and I'm keeping half of that, well I'm now keeping \$6,500 as my profit with literally no money out of pocket. So I have no risk, no exposure collecting on somebody else's judgment I made \$6,500 and I can collect on that money within about 30 to 90 days. So if you think about that Mark, if I put enough of these in the pipeline and I just start working on these deals, I've got these \$5,000, \$10,000 paydays coming to me every single month and I have no cash out of pocket. That's a great way to invest in judgments.

Mark Walters: Yeah that sounds great Mike. Now, you brought up a few different things that I have some follow-up questions. The first one being, because a lot of people have a hard time contemplating why someone, if you're buying the judgment outright, why would they be willing to take such a low offer from you?

Mike Warren: Great question. And I actually have a very logical answer for it. So Mark, what we're going to do is I'm going to use you as an example. Okay? So we're going to go back to the \$10,000 judgment and so you remember the basics right, \$10,000, three years old?

Mark Walters: Yep.

Mike Warren: Okay. So I'm going to ask a couple of questions. I'm going to say "Hey Mark, my name is Mike Warren and I was doing some research at the courthouse and noticed that you have this judgment against John and I wanted to see if you'd like to get some cash for the judgment." And your answer is...?

Mark Walters: "Yes, definitely; finally."

Mike Warren: Correct. "Well I would love to do that but I don't know if I can actually buy this yet or not, I'd like to ask you some questions. Do you have a couple of questions to talk to me?"

Mark Walters: "I do."

Mike Warren: "Okay. Well first off could you verify for me the principle amount of the judgment that you were awarded when you got this judgment from John?"

Mark Walters: "Yes, \$10,000."

Mike Warren: "\$10,000 and how long ago was that?"

Mark Walters: "That was about three years ago."

Mike Warren: "Okay, so a little over three years ago. And have you had any contact with John in the last three years?"

Mark Walters: "No, I haven't really heard from John."

Mike Warren: "So I guess it's probably safe to assume then that he hasn't made any payments in the last three years either right?"

Mark Walters: "Unfortunately that is true."

Mike Warren: "Okay. Well then let me ask you another question. Do you know if John has filed bankruptcy and wiped out this judgment? Has he already done that?"

Mark Walters: "Not that I'm aware of."

Mike Warren: "Well I'd have to check it out of course, I think you can understand. Because if he's gone bankrupt and wiped it out then obviously I'm not going to buy it because it's worthless and I wouldn't want to do that. But if I do buy it, I take all the risk that he won't do that in the future. And if he does, it's my money at risk, so the amount of money that I can give you, is a guaranteed amount of money versus well, you already know he's not paying you. Well let me ask you this question, what's the least amount that you would take on this judgment if I could get you the cash pretty quick here?"

Mark Walters: "What half maybe, 50%?"

Mike Warren: "Okay. Well I have to tell you Mark, right off the bat in my experience of working with debtors of this type, I'll tell you right now I can't come anywhere close to 50%, just because I know the difficulty in collecting on judgments and then going bankrupt and possible wiping out. I don't know if I can do that. I'm not going to come anywhere close to that offer. Do you want me to still give you an offer or what would you like to do?"

Mark Walters: "Well I'm not getting anything for it now, sure, why don't you make me an offer."

Mike Warren: "Okay." On the phone I actually go through Mark a couple of gyrations on the phone, but I'm trying to shorten this down for our training here. So ultimately I'll come back and say "Well here's what I can do. I can give you \$1,112.92 for this judgment that you have against John and that's a guaranteed amount of cash

that you get. Once I buy it I don't get it back. So if John wipes out the judgment that's too bad, I lost the money. So I could do that and I could do it pretty quick. Would that work for you?"

Mark Walters: "Well that sounds pretty good because that's money that I could probably use right now."

Mike Warren: Okay. So then I would actually just send you my paperwork and we'd go into a slightly different discussion so that I could actually buy it and make sure I'm buying a good piece of paper and stuff like that. But in the example Mark that I was going through with you, I started you out, I didn't make you an offer off of \$10,000 and did you notice that I did not talk about interest at all. Did you notice that?

Mark Walters: Right.

Mike Warren: So I threw out the \$3,000 in interest, that's just extra profit for me because I didn't talk about it, it becomes my profit. And then I asked you to come up with a number first and you came up with a number that 90% or better of all the people that I talk to, that's the number they come up with. They say "Well how about 50%" because they think that's fair. So when I make my offer at ten cents on a dollar versus your 50 cents on a dollar, that's not nearly as bad as if I make ten cents on a dollar against 100 cents on a dollar.

Mark Walters: Yeah that makes sense.

Mike Warren: That's really as easy as it is. It's really not any harder. And if they won't take the offer, not a problem; I can always transition into contingency and give you the 50%. So this way I have no money out of pocket and I have no risk in this deal, but now you ride along with me. And so, if you don't want to sell it to me, "Okay that's fine, how about contingency?" And so I'm either going to win or I'm going to win.

Mark Walters: That sounds pretty good. Well you know, one question that people probably have Mike, and that is if you go into a contingency are you not kind of like a collection agency in that respect. And if so, do you need a license to do this?

Mike Warren: You know, you bring up a very valid point. I collect in all 50 states and every province in Canada. And I figured out a long time ago that if I go and I just say that I'm going to collect on somebody's behalf, some states require me to have a license or be licensed or bonded or be a collection agency and say "Well you've got to do that to collect on somebody else's behalf".

So what I figured out is you know what, if I have the right paperwork that essentially assigns over to me the ownership rights in that judgment for a temporary period of time I now become the owner of the judgment. So under the letter of the law, I do not have to be an attorney, be licensed or be a collection

agency to collect on my own personal debt. That's how the court systems have been set up.

So I figured out how to create my paperwork, which by the way is not provided to you by the court, this is my own stuff. I created my own paperwork. I got it reviewed by attorneys in every state and every Province and they gave their blessing on it and I'm good to go if I use my paperwork the right way, which gives me temporary ownership. Does that make sense? When I have temporary ownership I'm not really collecting for somebody else, I'm collecting for my own debt, not somebody else.

Mark Walters:

Got ya. Well hey Mike, I've got some more questions for you, but I think this is a good point to throw out a website address for people listening who are excited about what you're sharing so they can learn some more from you. So if you've got something to write down with here write down cashflowinstitute.com/mike. Cashflowinstitute.com/mike to get more of Mike's good information.

Hey Mike, you were mentioning a little bit ago about property that the defendant might have that you would be looking for as far as collateral is concerned. Can you share some details of what it is collateral wise that you're looking for?

Mike Warren:

Well there's lots of different types of collateral. If I'm going to invest my money to buy something I'm only going to buy it when the debtor owns a house or land or commercial property or something like that; some type of real property. So when I'm investing my own cash that's a requirement that I have to have. For me to do it on contingency, they don't have to own that. So for instance, I could go after a bank account or I could go after wages or things like that all through the court system; I could do that.

So when I'm looking at really making sure that - I guess a way of looking at this is saying I want to go after the low hanging fruit. And what I mean by that in the judgment business is I want to find people that have a judgment against them and that also have property. Because if somebody has a house odds are the house is not free and clear, they probably have a mortgage on it. So if they have a mortgage they probably have a job so they can make money to pay the mortgage.

And if they have a job they probably have a bank account so they can deposit the check. And if they have a job they probably also have a car. So that means I could go after the house. I could after the car. I could go after the bank account. All to force that judgment to get paid off. And worst case scenario, I could foreclose on that person's house even though they're current on their first and second mortgage, however many they have; even though they're current I could still foreclose as a way to force them to pay off the judgment.

And so literally, I can force Mark, the debtors to pay off that judgment any time I want to. So that gives me total power, total control; I'm in control of money and I can create my cash flow on demand every single month.

Mark Walters: Yeah that sounds good. Now Mike, what if you're talking to a defendant, the debtor, person that owes the money and they're saying "Okay, yeah I haven't made the payments on this or paid this back. I'd really like to get this taken care of but I don't have the big lump sum of \$10,000." Do you ever set up a payment plan for something like that?

Mike Warren: Sure. Now first off, debtors don't call me unless they're willing either to pay it off or make a payment plan. That's the only time I've ever gotten a call and it was always very polite calls because they're asking for a favor from me. And I'll take a payment plan, something that's reasonable. You've got a \$10,000 judgment and you want to pay me \$50 a month, never going to happen. Especially if I know that you have other assets that I could go out and just seize any time I want to. You have to give me a reason why I shouldn't do that.

Now I'm not trying to be - pardon my language here - I'm not trying to be a hardass. I want to try to help the people. They know they have this debt. They know they have to pay the debt. They know they haven't paid it. And if they want to make arrangements to make payments, not a problem, I'm happy to help them, but it has to be reasonable so they can get paid off in a reasonable period of time based on the amount of debt that they owe.

Mark Walters: Got you. Is there any term that you favor, one year, two year, three years under that kind of consideration?

Mike Warren: No. The longest one that I've gone to was just over seven years allowing somebody to pay it back, but they owed over \$100,000. So they were doing the best they could. While I could have gone and seized all the money, it would have caused for them and their business a hardship. And they decided to make payment plans and I control the judgment so I can accept what we're going to take and everybody was happy.

Mark Walters: That's great. Well I think for everybody listening Mike that kind of gives them a point of reference since so many people owe money in a scenario like this that there's two trillion dollars out there and not everybody's got a big lump sum that they can just pay back. So that kind of puts it in perspective what type of a term they should be setting up, so I think that's really helpful.

Mike Warren: Yeah. You can do anywhere from a year I'd say to, it depends on how much they owe and how much they can pay and figure out how long is it going to take them to pay it back, plus interest. Don't forget the interest; they owe the interest. And they owe any court costs that have been incurred. So if you've filed any paperwork and it cost you a couple of bucks, the debtor has to pay that too.

Mark Walters: Excellent. Hey Mike, I know that one of the things that you're doing is something called a judgment option and probably most of the people that are listening to this call, unless they already know about you, they might not know what a judgment option is. Would you please share some insight on that please?

Mike Warren: You bet. Actually now you're getting into something that I really love a lot. This is a way for making some very, very quick money with no risk, no exposure and I get my paydays typically, well it depends on how far you want to get into this, but I get my paydays in less than 30 days, which is phenomenal with no cash out of pocket.

So ultimately what we're doing is this - we go out and we look for a judgment and rather than buying the judgment outright I reserve the right to buy that judgment for a specific amount of money at some point in the future. So I'm essentially optioning the right to buy the judgment at some point in the future. Now what an option does is it locks in the creditor for the terms of our deal.

So let's go back to the \$10,000 judgment. It will lock the creditor in that they're going to sell that judgment to me for \$1,000. But it doesn't require me to buy the judgment; meaning I can walk away at any time I want. So I go outside, like I'm driving right now and I'm looking at clouds and "Oh there's a cloud. I don't like the shape of that cloud. You know what; I'm not going to buy that judgment." I can walk away. I don't have to give a reason.

So what an option does is it gives me the privilege or the right to buy something for a certain price within a certain period of time, but not the obligation or the requirement to buy it. Does that make sense?

Mark Walters: It does. Now, in the scenario of the \$10,000 judgment, you've called up the creditors, as we did our role playing there, how might a judgment option suggestion come out when you are contacting people?

Mike Warren: Actually it's really easy. It's just the end part of the conversation when you said yes you would sell it to me for \$1,112.92, I would now turn around and say "Well Mark, here's what I need to do. I need to verify some information about the judgment so I'm going to send you some paperwork that says I'm going to buy this judgment from you for \$1,112.92 sometimes between now and the next 120 days" - so it gives me the right to buy it unless I know that I've got this pinned down I'm not going to do all my due diligence on this judgment. So it allows me to do it. "So I'm going to send you a couple of documents and essentially it's an option for me to buy this at this price within this certain period of time. Is that okay with you Mark?"

Mark Walters: "Yes."

Mike Warren: I've never had anybody say "no", especially when I really kind of pitch it out there and show them that look I'm just doing my due diligence and I need time

to do that. Will you give me time to do it? And they all say “Well okay”, they don’t know what else to say.

Mark Walters: Right. They’re backs against the wall, they don’t have a clue when it comes to collecting this so. That makes sense. So you’re waiting for the paperwork to come back with the signed option and everything else that you’ve sent them before you even start to research that judgment any further?

Mike Warren: Correct. We could take – well actually Mike would you like, for everybody that’s listening, would you like an advanced technique on how I can make money that just blows people away?

Mark Walters: Sure.

Mike Warren: We’ll tie it in with property. We’ll tie the judgment and we’ll tie the option altogether and we’ll make this a fantastic little payday here if that’s okay with you; you want to do that?

Mark Walters: Definitely.

Mike Warren: Okay. So let’s go back to the \$10,000 judgment on John’s house. Now I want to add another little scenario here. John’s house is currently for sale. So Mark, as a real estate investor, when John goes to sell his house of which there’s a judgment attached to it, what has to happened to that judgment in order for John to give clear title to the new buyer?

Mark Walters: he’s got to pay off that judgment otherwise there’s a cloud on his title.

Mike Warren: That’s right. He can’t give clear title. And most people who buy property in America today are taught by all the real estate agents and title companies don’t buy a property without title insurance and you can’t get title insurance if that judgment is there. And he also won’t get a new loan. So it forces the judgment to get paid off.

So let’s now imagine, and let’s speed this process up just a little bit – let’s say that John’s property already has a buyer in place. They’re going to closing in the next 30 to 45 days. Somebody’s already buying, it’s not me. I need to be very specific about that. I’m not buying this property. Somebody else is buying John’s house. Are you with me on that so far Mark?

Mark Walters: Yes.

Mike Warren: Okay. So, somebody else is buying John’s house, it’s under contract, and I find the judgment with you Mark and I option the right to buy that judgment from you for \$1,112.92. Now when John goes to sell that property is he going to pay

me off at the amount that I bought it for or is he going to pay me off at the \$13,000 that he owes in order to give clear title to the new buyer?

Mark Walters: It's going to be the full amount.

Mike Warren: It's going to be the full amount of the judgment. And by the way, who do you think Mark, is going to do most of the paperwork to make sure that it's done correctly and the title is transferred clear or clean? Who do you think is going to do the most paperwork?

Mark Walters: A title company.

Mike Warren: The title company does all my paperwork; you're absolutely right. And by the way, my option to do that, to get that option from you cost me \$1. So it's what I call my \$1 option technique. It cost me \$1 to do that. I sent the paper over to the title company. Title company handles all the closing. I sign a few documents, they cut me a check for 13 - excuse me, they don't cut me a check for 13, they cut you a check for \$1,112.93 and they cut me a check for the difference of that subtracted from the \$13,000. I get the balance as a check. That's a big payday.

Mark Walters: That's a great technique Mike. Thanks for sharing that. That's terrific.

Mike Warren: You're welcome.

Mark Walters: Hey, I'm sure everybody on this call is excited about judgments. I have been for years. You obviously have been too. They're probably wondering how do I find judgments to buy. So considering so many things these days can be accessed from the internet, how much of this can someone do online from home?

Mike Warren: That's a great question and it depends on which technique you want to do. If you're working in the contingency arena, where you're going to work on behalf of a judgment creditor and collect on that judgment, you can do about 90% - 95% - actually, I guess all of it could be done; about 90% to 95% of it could be done online.

There are a few things that can't be done online and that's having the paperwork signed by the creditor and sent back to you. Those are the pieces that just - I mean you could try to do an electronic signature, but most of the creditors that I talk to don't understand that. So I just send them the physical paperwork - here are my documents. Please sign these, have them notarized, send them back and then move forward.

But all of my research and my due diligence and all that stuff could be done online. My working with a title company is done by email. So about 5% is what cannot be done online.



Mark Walters: That's great. Now as far as the judgments themselves that you're looking to meet your criteria, and so then you'd be reaching out to the creditors, are you finding those leads online as well?

Mike Warren: Absolutely. It's really easy. In fact I can go to – there are 3300 counties in the United States. So all I have to do is go choose which county I want to go to, go log in to the county website – now not every county is online and that's okay. If the county is not online I've got 3,299 more counties that I can choose from.

So one thing I want everybody to understand is that you do not have to invest in your backyard. And this is a mistake I see new judgment investors do, they think "Oh well I'm in this state, I need to work right here in my own backyard", and if their county is not online they get frustrated. It's like "Why are you working in your backyard? You're not going to go and meet the creditor. You're never going to go meet the debtor. You're never going to go look at property. You're not going to do any of that and you're not going to go to the courthouse. So if you're not doing any of that stuff why do you care where the judgment is located?"

In reality you don't. What you care about is "where are the deals". So it doesn't have to be in your backyard. So I just find a courthouse that's online. I access the court records. I find the judgments and then I find out who the creditor is. It's all listed there as part of the record. I contact them up and see if they want to do a deal. It's pretty straightforward.

Mark Walters: Well, everybody listening right now should realize how simple what you just said was and that they can just get online and be able to search these things out and do many of the things that you just talked about. So I think that's terrific Mike. Now, you've been doing this a long time and I'm sure there's some deals that have gotten you excited. Can you share some examples of those so people can really see the potential here?

Mike Warren: Sure. Let me give you one that, this was a judgment we collected against a radio station. This was a judgment for \$8,500 and so I got it assigned over to me. They didn't want to sell it, they signed it over. Well Mark, let me ask you this question – a radio station makes their money by doing advertising; would you agree with me?

Mark Walters: Yes they do.

Mike Warren: So do they do the advertising before they get paid or after they get paid?

Mark Walters: Let's see, they advertise after they get paid certainly.

Mike Warren: So one of the things I talked about that you can do, one of the collection techniques that you can collect on is actually go after a bank account. So what we did, when we had the judgment assigned over to us, is I had all the

paperwork done, I sent my paperwork to the creditor. They signed it all, notarized it, sent it back to me and then I went out and found out where the radio station had their bank account.

I then took out my paperwork that's provided to me by the court, now Mark here's something that's very, very important, and that is that I never do any collection. I don't do any of that. I don't do the bank account and wages. I don't go after the house. I don't do any of that, the court does it all for me. So I filled out the paperwork that was provided to me by the court, I sent it to the court. The court then directed a sheriff to contact the bank where the radio station has their account and the bank froze all the money in that account for \$8,500 plus interest and court costs and stuff, but let's keep it at \$8,500.

So they froze the \$8,500, they paid it to the sheriff who gave it to the court who then paid me and I then split that fee, that \$8,500 with the creditor. So I made \$4,250 on that deal with right around \$30 to file the paperwork, but I got that \$30 back from the debtor in addition to the \$8,500. So with literally no money out of my pocket here I made \$4,250 collecting on somebody else's judgment. Do you think that's a pretty good deal? Reverse

Mark Walters: That's a great story Mike, definitely. Plus it's the aspect of you not having to go out and collect, which some people might wonder, are you getting attorneys involved when you're doing this?

Mike Warren: Well you know when I work with students, and students that I've kind of taught some of these things, one thing they can do is they can actually send me deals that we'll collect on. And because we do such a large volume I actually have a network of attorneys that will collect the majority of my judgments. However, with that being said, anybody that's listening can collect on these judgments themselves. They can fill out the paperwork themselves.

When you're getting into doing 50 or 100 of these judgments a month, you might want to outsource it so you don't have to do all the little miscellaneous paperwork; let somebody else do that for you or hire a staff person and let them do it because you're making money. But yeah, anybody can do this on their own. Is that the question? I want to make sure I answered it correctly.

Mark Walters: Yeah that was really good because some people might think that this is something that because it's the court system and things like that that they have to. And like you're saying that's not the case. But if they're doing a lot of business, you said the perfect word there, and that's outsourcing it.

Mike Warren: Right. You bet.

Mark Walters: That is great. About how long, because I know you're driving and I don't want to take up too much more of your time here Mike, but if someone were just to get

started how quickly could they really jump into judgment investing and start to see results?

Mike Warren: That's a good question and there are several answers that I could give you. And the reason that there are several answers I could give you is it depends on which technique you want to go with. Let's start with the contingency, the risk free way, you're collecting on somebody else's judgment. You have no cash out of your pocket to do that so you have no risk. You're just working with the court system.

In that type of scenario you're making money typically within 30 to 90 days, which is pretty good. You've got no money out of pocket and you're making - your job is filling out paperwork and you send it into the court. You let the court collect on the money. You get paid. You pay your creditor whatever you agreed to pay them and you keep the balance. There you go.

If I was working on judgments on property that's for sale for instance that I'm optioning, I'm typically getting paid in less than 30 days and maybe as long as 45 days. So it really depends on which technique I want to use. And if I'm buying judgments I really don't want them to pay off at all right away. I would like them to sit there for several years because I'm making 100% on my money per year just in interest alone. Does that make sense? So you got three different answers.

Mark Walters: Yeah, it makes perfect sense. And for people that are wondering when you first started saying "Hey I don't want to get paid off at all" - if you're getting 100% on your money because you bought it ten cents on the dollar and the judgment is paying ten cents interest per year secured by real estate in a sense here, well why would you want to get paid off because where are you going to put that money to make a better return than that? Well of course you could put it back into more judgment investing but that's wonderful.

Mike Warren: Sure.

Mark Walters: Well listen, for everybody that is on this call right now I'm sure you're excited with what Mike's shared with us so graciously here. If you want to learn more simply go to <http://misuniversity.com/mike> and you'll be able to learn more about what Mike is doing and what he's sharing and lots of good things over there. So again, that's <http://misuniversity.com/mike>.

Well listen Mike, I know you're going on your trip, you're going to be doing some very exciting things so thanks for squeezing us in here; it's really been a great privilege, so thank you.

Mike Warren: You're very welcome Mark and hopefully you can tell just by the sound of my voice that I get really excited about talking on this topic because I find it so easy, yes I know it's boring, I say it's boring, but it's so easy, it's so profitable and it



makes so much money for so many people that it could really change lives and I really love what I can do and how I really can help people that just want to make some money in something. They want to get their first couple of deals done and this is a great way to do it.

And Mark what you're doing in your teaching and sharing this information with people, this is perfect because it gets the word out there to everybody. So thanks for having me on the call. I very much appreciate your letting me talk about it. Thank you.

Mark Walters: The pleasure is all mine Mike. Thanks for carving out some time. Have a wonderful and safe journey on your travels and good luck over there at the offices of Donald Trump; that's very impressive.

Mike Warren: Thank you sir. I'm going to try to have a good time, maybe have a good steak dinner tonight. We'll see how it goes.

Mark Walters: Sounds good, I'll talk to you soon, Mike. Thanks again.

Mike Warren: You're welcome, Mark, take care. Bye now.

[End of Transcript]

To get started with the Judgment & Lien Money Machine please visit:
<http://misuniversity.com/mike>

Thanks for listening.

Mike Warren