



Post Office Box 6517 Westlake Village, CA 91359 (800) 845-3055 (818) 865-2322 FAX (818) 865-2323

Straightforward, Honest, Fair ... The Way It Should Be

BROKER/CONSULTANT PACKAGE

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Thank you for your interest in Armstrong Capital!

Armstrong Capital was established in 1991 for the sole purpose of brokering **seller financed real estate notes**. Since then we have purchased and brokered notes on all different types of properties including residential, commercial and land. We have purchased and brokered notes with different security instruments including Mortgages, Trust Deeds, Indentures and Land Contracts. We have purchased notes in over 44 different states.

As a **Master Broker/Buyer** in the real estate niche of seller financed notes, current practitioner and an experienced professional in the cash flow industry we have a sincere desire to assist people in achieving success.

Over the years we have added additional cash flows to our arsenal that can be brokered and purchased by different funding sources. Some of these additional types of cash flows include **business notes, retail installment agreements, lotteries, and structured settlements**. If we can't assist you with a particular cash flow we can probably refer you to someone that can.

As you review this package, we hope that you will agree that our exceptional service and trusted advice approach will assure your success in this ever-growing industry. We will do everything possible to provide you with **straightforward, honest and fair** service.

Please take some time and visit our website at www.armstrongcapital.com and click on "Note Brokers". There is more information on how to work with us including helpful and insightful articles, products to help you succeed and information on our support and Mentorship services.

I invite you to contact me at any time in the event that you could use any of my services at 1-800-845-3055 or e-mail me at jeff@armstrongcapital.com. Thank you for your time and consideration. I look forward to serving you in the future.

Sincerely,

Jeffrey R. Armstrong
President



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How to Work With Armstrong Capital

Dear Note Broker:

Hello! Congratulations on entering the seller-financed note business!

Enclosed please find my short biography (so you can get to know me a little better), my Master Broker/Buyer Information Sheet, a Mortgage Worksheet, Credit Authorization Form, a sample of my one page Purchase Agreement, a note purchase Document Checklist and much more. Copy the Mortgage Worksheet and as many times as needed for future use.

The Mortgage Worksheet is the first step in pricing and negotiating with the potential note seller. It is very important that the worksheet is filled out as completely as possible before you send it to me for pricing options that are available to the seller. At that point we will give you a "soft" quote with several options. Once the seller is somewhat agreeable or wants to know if we can pay more or "firm" up the offers, you then have them provide you with a copy of the Signed Note, a copy of the Settlement Statement and the completed and endorsed Credit Authorization Form. When you fax these items to us we will be able to verify the information given, verify the buyers' credit and give you "firm" prices and options (subject to approval of appraisal and title). After you have an offer accepted you would then have the seller sign the Purchase Agreement to get the transaction started and collect the remaining necessary copies of documents.

Whether you are having trouble getting your first deal or any deal after that, I would be more than happy to assist you in any way that I can. You can do as little as refer a name and phone number of a warm lead to me (if the transaction closes you usually receive at least \$1,000 referral fee) OR if you chose to be more involved I will help you through the entire transaction from giving a price to gathering documents and closing the deal (if your commission is less than \$5,000 I will deduct \$350 for the processing, if more than \$5,000 I will deduct 20%).

What are your reasons for wanting to succeed in the "Cash Flow Industry"? To create or achieve something new, for family needs, to acquire the confidence to move ahead, or because it just makes good sense now. You decide.

I know what a struggle it can be in the beginning and I would like to help you alleviate some of the stress and frustration of trying to obtain and close deals. If you have any questions please feel free to give me an e-mail at jeff@armstrongcapital.com or a call toll-free at 1-800-845-3055. I will be more than happy to answer any of your questions.

Sincerely,

Jeffrey R. Armstrong
President

P.S. Check out our website at armstrongcapital.com and click on "Note Brokers" to sign up for our free monthly email newsletter, read helpful articles, products, workshops, mentorship and additional information.



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My Biography

Armstrong Capital (www.armstrongcapital.com) was established in May 1991. Jeff has been working in the note business full time since October 1993. He acquired his California Real Estate Sales License in June 1992 and then his California Real Estate Broker's license in June 1996. Jeff became a member of the American Cash Flow Association's Million-Dollar Club in April 1996 and was designated a Master Broker in the field of private mortgages in November 1997. He was appointed a visiting instructor position for the American Cash Flow Corporation in August 1998 through August 2008 when the company dissolved. With over 1500 closed note transactions closed since the inception of Armstrong Capital, Jeff's knowledge and experience in the note industry is unsurpassed.

In February of 1999 Jeff wrote and published his first book entitled, "Scripts and Tips: A Handbook for the Serious Note Broker" to assist new brokers in obtaining the success they are looking for in of the cash flow industry. Jeff became a Certified Appraiser of Mortgages in September 1999 through the American Appraisal Institute of Privately Held Notes and Mortgages. In July of 2002 he wrote and published a marketing book entitled "Every Single Profitable Note Marketing Idea in the World (almost)". In March of 2005 he wrote and published "Personal Cash Flow Prosperity" detailing how he successfully operates his one-man business. In November of 2007 Jeff updated and added to his popular "Note Holder's Handbook". In 2011 he completed his latest aid for the real estate and note industry "Calculator Secrets" providing step by step details on calculating notes and note transactions

Jeff is a recognized and requested speaker on seller financed notes, marketing, motivation and inspiration at industry conventions, conferences and events nationwide. His enthusiastic and encouraging style as well as his step by step approach has quickly made his Secrets of Paper workshops top rated and one of the most sought after note courses in the country.

Jeff is also a contributing columnist for the Paper Source Newsletter, Cash Flow Exclusive and other industry publications. In May 2005, he was awarded the "Contributing Writer of the Year Award" by the American Cash Flow Journal. From April 2006 through April 2008 Jeff was the Editor of the NoteWorthy Newsletter, a nineteen-year monthly printed publication for experienced Buyers and Brokers of Notes, Mortgages and other cash flows on the secondary market. In February 2008 Jeff became a visiting instructor for Nouveau Riche Real Estate College in Scottsdale AZ and continues to instruct for their newest organization, Renatus.

Prior to establishing Armstrong Capital Jeff worked his way up through the ranks at various supermarkets to the night manager position for 9 years and worked the graveyard shift for the last 4 years of that. Since he worked at night he had to do something with his days. So, Jeff had several other businesses before starting Armstrong Capital including a landscaping and gardening business called the "Caretaker's" and a handyman business called "Handy Dandy Fixer Upper"!

Jeff is 45 years old as of this writing (October 2011). He owns a bass boat and enjoys competing in bass fishing tournaments. He also enjoys doing other activities with his family including snow skiing, camping, golf, biking, water skiing, swimming and surfing (not to mention traveling and the outdoors). When he is not watching his girls dance, Jeff can often be found on a mountain, beach or lake.

Armstrong Capital primarily acts in the broker capacity and occasionally will purchase notes for their own portfolio. Through hard work, persistence and consistency, Armstrong Capital has established premier and preferred rates with several top funding sources. This translates into higher prices for your real estate secured notes. With Jeff's knowledge and experience he assists note holders in obtaining the best options available to them.



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Master Broker and Buyer - Jeffrey R. Armstrong

Day # 818-865-2322, Fax # 818-449-4840

E-mail: jeff@armstrongcapital.com

Website: www.armstrongcapital.com

Type of Information Requested:

- A completed Mortgage Worksheet by email attachment or our online worksheet
 - Name of Note Seller
 - Address of property on which note is held with nearest cross street to the property
- We will give you a soft pricing first based on best possible scenario. Then when you get a verbal yes we will need the Name, address, and Social Security Number of the Buyer AND a copy of the RECORDED Security Instrument, SIGNED Note and Settlement Statement for firm pricing (subject to verification of information given and acceptance of appraisal and title)

Types of Debt Instruments Considered:

All Individually Held First Position Performing Real Estate Secured Seller Financed Notes

Mortgage - Trust Deed - Land Contract - Contracts for Deed

Note Holder must have owned the property for at least a year before they sold it and carried back the note OR the note must be seasoned for 12 months

- **NO SECOND POSITION NOTES**
- **NO SIMULTANEOUS CLOSINGS (minimum of 1 month seasoning)**

Types of Real Property Accepted As Collateral:

Single Family Residential - Multi-Family - Commercial - Land

(Improved and unimproved) - Mobile Homes with Land

No co-ops or properties with hazardous waste potential

Geographical Preference:

- USA

Length of Time Needed to Assess a Deal:

- Same day prices on most deals

Contacts:

- Our office will usually contact Brokers within 24 hours of receiving your completed worksheet

Further Comments: We are very willing to assist new brokers on their path to success in this industry. We receive preferential rates, which we pass on to you. We offer a full range of assistance in your effort to establish your private mortgage business. We can also assist you with **business notes** and many other cash flows. Call and ask us about these different programs. If we can't assist you with a particular cash flow we can probably refer you to someone that can. We have come out with several helpful products and services for note brokers with scripts, tips, forms, marketing ideas and much more. As a designated a Master Buyer/Broker in the field of private mortgage notes, feel free to call or e-mail anytime with any questions you might have about the industry, a particular note, or a particular situation. Armstrong Capital is here to help you!

Master Buyer/Note Broker Agreement

This Agreement made this _____ day of _____, 20____, is between Armstrong Capital (hereinafter referred to as "Master Buyer") and _____ of _____ (hereinafter referred to as "Note Broker"), hereinafter collectively referred to as the "Parties". Under the following terms and conditions:

1. Note Broker is a student, member or subscriber of (circle all that apply):
 - Armstrong Capital monthly E-letter
 - Nouveau Riche/Renatus
 - American Cash Flow Association
 - Secrets of Paper
 - Paper Source/NoteWorthy/CFE
 - Other: _____
2. Note Broker agrees to put diligent effort forward towards learning and working in the note business which includes marketing, negotiating and calculator skills.
3. By signing this Agreement Note Broker represents and warrants that he or she is in DIRECT CONTACT with the note holder on any notes and worksheets submitted to Master Buyer for pricing.
4. Note Broker understands and acknowledges that experience has taught Master Buyer that unless Note Broker is dealing directly with the holder of the notes, they will be doing no more than wasting a whole lot of time and expense. Furthermore, Master Buyer will not give Note Broker prices if Master Buyer knows there is another broker in the middle. In addition, Master Buyer will not price notes that come off of internet "note boards". If Note Broker has a prospect and is in direct contact with the note holder (meaning Note Broker has personally spoken to them, filled out a worksheet, verified that they are currently receiving payments on a note and they would be interested in a lump sum of cash now) Master Buyer will be ready and willing to work with Note Broker. Broker Daisy Chains will not be tolerated and may be cause for termination of this agreement.
5. Note Broker understands that Master Buyer's statistics are Master Buyer's personal statistics that have been gathered over time by Master Buyer and in no way represents, infers or guarantees that Note Broker will achieve similar results.
6. Note Broker understands that Master Buyer and all staff may provide business consultation services which is not legal, or tax advice. Armstrong Capital, Master Buyer or other employees are not responsible for any losses or litigation that may arise from following any particular advice. Additionally, Note Broker acknowledges that Master Buyer is not a trained personal counselor or therapist and is not acting in that capacity.
7. Note Broker understands that should Master Buyer not be willing to purchase a particular note directly that Master Buyer will attempt to locate an investor or funding source to purchase said note.
8. Note Broker understands that prices given for notes are "Wholesale Prices" meaning the costs of credit checks, appraisal and title will be deducted from Note Broker's proceeds upon successful funding of a note purchase.

9. Upon successful funding of a note purchase, Note Broker agrees to compensate Master Buyer \$350 if the Note Broker's commission is under \$5,000. If Note Broker's commission is over \$5,000 Note Broker agrees to compensate Master Buyer \$350 plus 20% of Note Broker's commission.
10. Note Broker understands that Master Buyer is acting independently and is not an agent for or with any other organizations including Nouveau Riche/Renatus. Any transactions between Master Buyer and Note Broker are in no way affiliated with Nouveau Riche/Renatus. Note Broker agrees to hold harmless Nouveau Riche/Renatus, its officers, directors, shareholders, employees, members, and owners from any claim whatsoever arising from any such transaction or alleged transaction.
11. This Agreement supersedes any and all agreements, either oral or written, between the Parties. Both Parties agree that no representations, inducements, promises, or agreements, oral or otherwise, have been made or relied upon by any party or anyone acting on behalf of any party, which are not embodied herein. Any modification of this Agreement will be effective only if it is in writing and signed by both Parties.
12. Neither this Agreement nor any duties or obligations under this Agreement may be assigned.
13. A facsimile of this document shall be deemed and considered as an original, binding and enforceable document.
14. Note Broker has read and signed the *Code of Ethics and Conduct of the Note Industry* and agrees to abide by its recitals wholeheartedly and without reservation.
15. Note Broker agrees to submit with this signed agreement, a signed copy of the *Code of Ethics and Conduct of the Note Industry* and a one page marketing plan to Master Buyer for review and acceptance before sending in worksheets for pricing and working with Master Buyer.

Note Broker

Date

Print Name, Address, Phone Number and Email Address below:

Jeff Armstrong – Master Buyer
Armstrong Capital – (818)865-2322
PO Box 6517 Westlake Village, CA 91359

Code of Ethics and Conduct of the Note Industry (“The Membership”)

PREAMBLE

WHEREAS, brokering, investing in, financing, owning, servicing and managing real estate notes may be regulated endeavors; and

WHEREAS, the Note Industry aspires that its members not only comply with all applicable laws and regulations, but that all members attempt to comport with the highest standards of ethical conduct and professionalism even in the face of a lower legal standard of care or duty, in order to develop, cultivate and maintain a reputation of the Note Industry and its members as being synonymous with excellence and integrity in our note industry and community; and

WHEREAS, the Note Industry as a whole, imposes obligations beyond those of ordinary commerce and business practices. They impose grave social responsibility and a patriotic duty to which Note Industry members should dedicate themselves, and for which they should be diligent in preparing themselves. Note Industry members, therefore, are zealous to maintain and improve the standards of their calling and share with their fellow Note Industry members a common responsibility for its integrity and honor; and

WHEREAS, in recognition and appreciation of their obligations to note holders, note brokers, note investors, clients, customers, the public, and each other, Note Industry members continuously strive to become and remain informed on issues affecting the Note Industry, real estate and financing and, as knowledgeable professionals, they willingly share the fruit of their experience and study with others. They identify and take steps, through enforcement of this Code of Ethics and by assisting appropriate regulatory bodies, to eliminate practices which may damage the public or which might discredit or bring dishonor to the Note Industry profession; and

WHEREAS, realizing that cooperation with other Note Industry members promotes the best interests of those who utilize their services, Note Industry members will not attempt to gain any unfair advantage over their competitors; and refrain from making unsolicited comments about other practitioners. In instances where their opinion is sought, or where Note Industry members believe that comment is necessary, their opinion is offered in an objective, professional manner, uninfluenced by personal motivation or potential advantage or gain; and

WHEREAS, the term Note Industry, Note Broker and Note Investor has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and instruction from note holders or clients ever can justify departure from this ideal; and

WHEREAS, in the interpretation of this obligation, Note Industry members can take no safer guide than that which has been handed down through the centuries, embodied in the Golden Rule, “Whatsoever ye would that others should do to you, do ye even so to them.”; and

WHEREAS, by endorsing this Code of Ethics and Conduct, each member: ratifies his, her or its concurrence with the foregoing aspirations; agrees to conduct the member’s activities whether conducted personally, through associates or others, or via technological means within the highest principles of the free enterprise system and the highest standards of ethics, honesty, integrity, competency and fairness; Accepting this standard as their own, Note Industry members pledge to observe its spirit in all activities, adopts and agrees to be bound by and to conduct their business in accordance with the tenets set forth below, as amended from time to time hereafter.

NOW, THEREFORE, this Code of Ethics and Conduct (“the Code”) is duly enacted by the Note Industry.

I. The foregoing recitals are hereby adopted as a part of this Code of Ethics and Conduct.

II. Code of Ethics:

All members of the Note Industry will be held to a higher standard of business ethics, honesty, integrity, competency, fairness and behavioral conduct as a condition of becoming and remaining as a member of the Note Industry. This standard includes, but is not limited to the following:

1. The Note Industry members shall treat other members of the Industry with courtesy and respect, and shall refrain from unjust comments or criticism about fellow members nor shall they knowingly or recklessly make false or misleading statements about competitors, their businesses, or their business practices. Members will not knowingly engage in activities that will bring discredit to their fellow members or the Industry.

2. Note Industry members shall not offer or accept compensation in any form for information or acts that might unfairly prejudice, or impair the judgment, or unfairly affect the decision of another party (including the practice known as double dipping) even if permitted by law, without disclosure to all parties and the informed consent of the Note Industry members involved in the transaction.

3. The Note Industry members will act as positive role models when dealing with note holders, the public, media, and government officials while investing in and providing products or services to others.

4. The Note Industry members will not knowingly construct, maintain or facilitate the brokerage of any unlawful, unreasonable or unjust promissory notes.

5. The Note Industry members will endeavor to provide assistance to fellow members whenever prudent and appropriate. When providing advice or information, members shall do so only to the extent that they feel competent to do so.

6. Note Industry members shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin, or sexual orientation. Note Industry members shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, or sexual orientation.

7. The Note Industry members shall be prudent in their disclosure of personal information regarding other persons or entities and shall be treated judiciously and disclosed only when required or permitted by law or by the person or business about whom the information is disclosed. Members shall avoid exaggeration, misrepresentation, lies of omission and concealment of pertinent facts relating to any portion of a transaction.

8. The Note Industry members will not intentionally misrepresent any material facts in dealing with other members or the general public. For example, and without limiting the generality of the foregoing, members will not intentionally lie, cheat, steal or otherwise take unfair advantage of others in the conduct of their note transactions or other business dealings, nor take unfair advantage of the Note Industry.

9. The Note Industry members will endeavor to keep themselves informed on matters affecting promissory notes, mortgages, trust deeds, land contracts, housing and other real estate market information in their community, including local, state and federal laws, regulations and significant judicial decisions, and shall conduct themselves in accordance therewith. Members shall strive to improve their knowledge and competence in matters relating to note brokering and investing.

III. Code of Conduct:

10. The duties imposed by this Code of Ethics and Conduct encompass all Note Industry related activities and transactions whether conducted in person, electronically, or through any other means.

11. The Note Industry members will strive to be fair and competitive commensurate with the risk for the high quality and specialized services we provide. Members will always try to propose solutions to note holders which will be beneficial and assist them with their individual needs. In all transactions, time is of the essence urgency is paramount.

12. The Note Industry members in attempting to secure a note purchase agreement or contract shall not deliberately mislead the owner as to the market value of the note.

13. When entering into note purchase agreements Note Industry members must advise note holders of the fact that the purchase transaction is still subject to underwriting criteria and verification of the information given and acceptance and approval of payor credit worthiness, valuation of subject property and clean and clear title.

14. The obligation of Note Industry members to preserve confidential information (as defined by state law) provided by their note sellers in the course of any relationship continues after termination of relationships. Members shall not knowingly during or after the professional relationships with their note holders:

- 1) Reveal confidential information of note holders or note payors; or
- 2) Use confidential information of clients to the disadvantage of clients; or
- 3) Use confidential information of clients for the Note Industry members advantage or the advantage of third parties unless the information concerning latent material defects is not considered confidential information under this Code of Ethics and Conduct.

15. Note Industry members, for the protection of all parties, shall assure whenever possible that all agreements related to note transactions including, but not limited to, purchase agreements, affidavits, broker agreements are in writing in clear and understandable language expressing the specific terms, conditions, obligations and commitments of the parties. A copy of each agreement shall be furnished to each party to such agreements upon their signing or initialing.

16. Note Industry members shall be honest and truthful in their note business communications and shall present a true picture in their advertising, marketing, and other representations including the URLs and domain names they use, and shall not:

- 1) Engage in deceptive or misleading note business websites;
- 2) Manipulate content in any way that produces a deceptive or misleading result; or
- 3) Deceptively use metatags, keywords or other devices or methods to direct, drive, or divert Internet traffic, or to otherwise mislead noteholders; or
- 4) Present content developed by others; or
- 5) Register or use URLs or domain names that present less than a true picture.

17. The Note Industry members understand and acknowledge that the Note Industry, its members, brokers and investors, cannot and do not have the ability, time, or means to independently verify advertisements, dealings and the represented qualifications of our membership, and that it is up to members: to sponsor only those persons for membership whom they feel in good faith will adhere to the aspirations of the Code; to bring to the attention of the Note Industry any conduct of another member or proposed member known or believed in good faith to be in material violation of the Code; and to perform such due diligence in their business dealings as the respective member reasonably deems necessary or appropriate to the circumstances, to avoid or minimize the possibility of falling victim to fraud, misrepresentation and illegal practices.

I, _____ agree to abide by this Code of Ethics and Conduct of the Note Industry.
Print Name – Please Print Clearly

Note Industry Member Signature

Company Name, Email Address and Website Address – Please Print Clearly

The Code of Ethics and Conduct for the Note Industry was adopted in 2011

Modifications to existing Code of Ethics and Conduct and additional new standards are approved from time to time. Readers are cautioned to ensure that the most recent publications are utilized.

Sample Direct Mail Letter

~Name~

~Date~

~Address~

~City, State Zip Code~

Dear ~first name~:

Did you know that you can receive **cash now** for your mortgage? Would you rather have a quick **lump sum** of **cash** rather than having small payments slowly trickle in?

Armstrong Capital specializes in the purchase of **OWNER FINANCED NOTES FOR ALL CASH**.

This allows you to receive a **lump sum** of **cash immediately** as opposed to the small monthly payments over an extended period of time.

We buy mortgages nationwide and can purchase your entire note, providing you with **immediate liquidity** to re-invest, reduce debt, etc.

If you prefer to maintain ownership interest in the note, we can purchase only a portion of the **cash flow** and you would **retain control** of the remaining payments.

What are your reasons for receiving a **lump sum** of cash now? To create or achieve something new, for family needs, to acquire the confidence to move ahead, or because it just makes good sense now. You decide.

If you have any questions at all, or would like a **free quote**, we invite you to contact our office today at 1-800-845-3055 (toll free) or visit our website at www.armstrongcapital.com for more information.

Thank you and we look forward to your reply.

Sincerely,

Jeffrey R. Armstrong

P.S. Why not keep this letter in your mortgage file. You may or may not wish to sell today but who knows what the future holds?

Sample Intro to Friends Letter

Dear Friend,

The purpose of this letter is to inform you of my new business, Armstrong Capital. We specialize in purchasing existing income streams (or notes) for cash.

We do not give, create or originate loans; rather, we purchase existing income streams at a discount from individuals that are receiving payments. For example, an individual might be receiving payments on a note and mortgage secured by real estate (when they sold a property), a business note (when they sold a business), a structured settlement (when they won a lawsuit), a retail installment contract or an inheritance advance, etc. Additionally, if someone is RECEIVING payments on some form of note or income stream we might be able to buy it or find someone that can.

A need is created when a note holder no longer wants to receive monthly payments for their note. The note holder can sell the entire note or a portion of the note for a lump sum of cash now. The reasons why someone would need to sell their note for cash varies from situation to situation. Nevertheless, we can address this need, because we specialize in purchasing these various income streams for all cash.

We happily pay generous referral fees for any transactions that you might send our way and we end up purchasing. If you or someone you know has a note they would like to sell or is receiving payments on some form of income stream and might need some cash, please remember to refer them to us for a FREE quotation for the purchase of their note or income stream.

Thank you in advance for your assistance and we look forward to assisting you or anyone you know with getting the most money for their income stream. For additional information or questions, please contact us at 800-845-3055 or visit our website at www.armstrongcapital.com .

Best Regards,

Jeffrey R. Armstrong
President

Sample Intro Letter to Professional Referral Sources

Dear Professional Referral Source,

Would you like to be able to assist your clients when they are in need of cash?

The purpose of this letter is to inform you of my business, Armstrong Capital. We specialize in purchasing existing income streams (or notes) for all cash.

We do not give, create or originate loans; rather, we purchase existing income streams at a discount from individuals that are receiving payments. For example, an individual might be receiving payments on a note and mortgage secured by real estate (when they sold a property), a business note (when they sold a business), a structured settlement (when they won a lawsuit), a retail installment contract or an inheritance advance, etc. Additionally, if someone is RECEIVING payments on some form of note or income stream we might be able to buy it or find someone that can.

If one of your clients has a note they would like to sell or is receiving payments on some form of income stream and might need some cash, please remember to refer them to us for a FREE quotation for the purchase of their note. The potential benefits to you are:

- Provide your client a service your competition cannot offer
- Reconfirms you as a valuable resource to your client
- Our solutions may assist you in retaining a valuable client
- Our services may help you close current or future business with your client
- We assist your client in getting the cash they need today

Thank you in advance for your assistance and we look forward to assisting your clients with getting the most money for their income stream. We happily pay generous referral fees for any transactions that you might send our way and we end up purchasing.

For additional information or questions, please contact us at 800-845-3055 or visit our website at www.armstrongcapital.com .

Best Regards,

Jeffrey R. Armstrong
President

Sample Script for calling OWC Ads

Hello! I saw your ad in the _____(newspaper) listing your _____(type of property) for sale and I noticed that you are offering seller financing. My name is _____ with _____(name of company).

I want to tell you right up front that I am not a real estate agent or a lender and I am NOT interested in purchasing your property.

Did you know that if you do carry the financing on your property that you could sell all or part of it to raise a lump sum of immediate cash?

What my Company does is purchase owner financed notes secured by real estate at a discount. The reason for my call is to suggest some terms to you so that WHEN you do sell the property and IF you carry back the financing your note will be the most valuable note possible. AND if the time came that you wanted to sell that note you could get the highest possible price with the least amount of discount.

Would you like to hear our suggested note terms? Do you have a pen handy?

NO - We wish you the best of luck with the sale of your property. If you would like further information please visit our website at www._____.com

YES - Single Family Home

- 10% CASH down payment or more
- 9% interest rate or higher
- Amortized for 30 years with a
- Balloon in 7 years
- Credit of the buyer 625 or higher

- If commercial property 20-30% CASH down, 10% interest, credit 675+ & same terms
- If land property 30-50% CASH down, 12% interest, credit 700+ & same terms

So what we are saying is IF you carry back the first position note AND you have the terms we suggest above your note will get the highest possible price and the least amount of discount should you want to sell all or part of your note in the future. If the terms of the sale and note are any different (a lower interest rate, less down payment, no balloon, etc) your note will be worth less and the discount will be greater if you decide to sell your note in the future.

If you would like further information please feel free to visit our website at www._____.com and call or e-mail us at any time.

Would you mind if I checked in with you from time to time to see how the sale of your property is going?

Thank you for your time and attention. Have a great day! Goodbye!

Armstrong Capital - Suggested Property Sale and Note Structures

Below are suggestions that you can give to the sellers of properties of how to structure a note so that when they want to sell the note they will get the least amount of discount and the highest possible pay price. Again, they are just suggestions. These ARE NOT minimum requirements, just what we would like to see so that we can give you the best possible price. Anything different will result in a bigger discount and a lower pay price. We will still buy notes that are not within these suggestions but the discount will be greater.

Residential Property

- 10% CASH Down Payment
- 9% Interest Rate or higher
- 30 Year Amortization
- 7 Year Balloon
- 650 Buyer Credit Score or higher
- Minimum 1 Month of Seasoning

Commercial Property

- 20-30% CASH Down Payment
- 10% Interest Rate or higher
- 30 Year Amortization
- 7 Year Balloon
- 675 Buyer Credit Score or higher
- Minimum 1 Month of Seasoning

Land Property

- 30-50% CASH Down Payment
- 12% Interest Rate or higher
- 30 Year Amortization
- 7 Year Balloon
- 700 Buyer Credit Score or higher
- Minimum 1 Month of Seasoning

Business Notes

Unlike Property, Notes on Business's do have minimum requirements. If a business note does not have AT LEAST the following don't spin your wheels

- 30% CASH Down Payment
- 9% Interest Rate or higher
- Fully Amortized
- No Balloons
- Minimum 720 Buyer Credit Score
- Personally Signed for / Guaranteed
- Minimum 3 Months of Seasoning

Presentation to Realtors

There is a benefit to to Realtors and their clients in working with a note broker and encouraging property owners to consider Seller-Financing.

1. More people will come to look at the home as a result of offering Seller financing.
2. It will most probably sell for a higher price because the seller of the home does not have to reduce the price of the home when they agree to take back the note.
3. The Realtor will make more because the home will sell for more and their commission is based on the selling price.
4. The CCFC offers referral fees.

Cash Offer:

Asking Price	\$100,000.00
Cash Offer	\$ 80,000.00
Real Estate Commission 6%	<u>\$ 4,800.00</u>
Net to Owner	\$75,200.00

Seller Financing Alternative:

Asking/Sales Price	\$100,000.00	
Down Payment	\$ 10,000.00	
Seller Note	\$ 90,000.00	(8% for 360 months, \$660.39/month)
Sale of Note (approximate)	\$ 72,251.77**	
Real Estate Commission 6%	<u>\$ 6,000.00</u>	
Escrow to Seller	\$ 66,251.77	
Down Payment	<u>\$ 10,000.00</u>	

Total Net to Seller \$ 76,251.77 (more than the cash offer!)

**This is assumes that the note was purchased 30 days after the closing and after the first payment has been paid at a 10% yield to the funding source and the CCFC subtracted a \$3000 fee.

Sample Email for Prospecting

www.newspaperlinks.com (and all kinds of classifieds, craigslist, backpage - e.g. OWC ads)

Sample 1st contact e-mail - Subject: Your ad in the newspaper

Hello! I saw your ad in the (newspaper) and noticed that you are offering to carry a note when you sell your property. AC specializes in purchasing seller financed notes secured by real estate. Often, sellers will carry back a note and structure the terms so poorly that they end up with a worthless piece of paper. We can offer you some suggestions on how to structure your note so that your note will be as valuable as possible. If you would like more information about structuring a valuable note or turning your note into cash just visit our website at www.armstrongcapital.com and click on "Note Example".

Sincerely, Jeffrey R. Armstrong – President

MORTGAGE WORKSHEET

DATE _____ TIME _____

How did you hear about A.C. _____

SELLER INFORMATION:

Name _____

Address _____

City _____ State _____ Zip _____

E-mail _____

T.D.#: _____ Page# _____

Phones: Home () _____

Work () _____

Fax () _____

PROPERTY INFORMATION:

Location: _____

_____ County _____

Estimated Value \$ _____

When seller bought _____ For how much _____

Type of Property: SFH [] Condo [] Townhome []

O/O [] Non-O/O [] Rental []

Commercial [] Apts [] Land []

Mobil Home [] Year _____ SW _____ DW _____

TRANSACTION/CONTRACT INFORMATION:

Selling Price \$ _____

Down Payment \$ _____

1st T.D. \$ _____

2nd T.D. \$ _____

Across, adjacent, behind prop: _____

Characteristics: Sq.Feet _____ Lot Size _____

Bd. Rms _____ Baths _____

Liens/Jdgmnts?: N [] Y [] _____

Taxes Current?: Y [] N [] _____

Serviced/Collected By?: _____

TRUST DEED INFORMATION:

Date of T.D. _____

Amount \$ _____

Terms in Months _____

Interest Rate _____ %

Payment Amount \$ _____

Balance \$ _____

Due Date 1st Pmt. _____

Payments Paid _____

Payments Left _____

Next Payment Due _____

Balloon Amount \$ _____

Balloon Date _____

Underlying Payoffs \$ _____

PAYOR INFORMATION:

Payments Current? Y [] N [] _____

Employment _____

Credit: Good [] Fair [] Poor [] D/K [] Score _____

Title Insurance? Y [] N [] _____

ADDITIONAL INFORMATION:

MOTIVATION INFORMATION:

WHY SELLING? WHAT AMOUNT DESIRED? \$ _____

OFFICE USE ONLY

LTV _____ % ITV _____ %

1st/2nd Ratio _____

Amt. Pmt Rcvd. \$ _____

Comments: _____

Entered in computer _____

Sent Quote Letter _____

Buy Total Mortgage For \$ _____

Buy _____ Pymts For \$ _____

Buy _____ Pymts For \$ _____

Buy _____ Pymts For \$ _____

Date Quote Given _____

Call Back _____

CREDIT AUTHORIZATION FORM

TO WHOM IT MAY CONCERN:

In connection with the possible purchase of my Security Instrument and Note given by the below named debtor(s) (the "Debtor(s)") on the date referred to below and held by me, I authorize Purchaser or Assignee, to order, receive and review on my behalf one or more consumer reports on any Debtor from one or more consumer reporting agencies, all as permitted by the Federal Fair Credit Reporting Act and applicable state law.

I also authorize Purchaser or Assignee to receive and review one or more consumer reports on myself from one or more consumer reporting agencies, all as permitted by the Federal Fair Credit Reporting Act and applicable state law.

Payor/Debtor's Name: _____

Residence Address: _____

Social Security #: _____

Phone Number: _____

Payor/Debtor's Name: _____

Residence Address: _____

Social Security #: _____

Phone Number: _____

Note Holder's Printed Name: _____

Residence Address: _____

Social Security #: _____

Phone Number: _____

Note Holder's Signature: _____ Date: _____

Security Instrument and Note dated: _____

DOES NOT REQUIRE PAYOR'S SIGNATURE

Sample

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ THIS INSTRUMENT CAREFULLY PRIOR TO EXECUTION. THIS INSTRUMENT CONTAINS THE COMPLETE AND ENTIRE AGREEMENT BETWEEN THE PARTIES AND IS BINDING UPON THE PARTIES, THEIR HEIRS, SUCCESSORS AND ASSIGNS.

MORTGAGE PURCHASE AGREEMENT

This Mortgage Purchase Agreement (The "Agreement") is made this ____ day of _____, 2005 by and between the undersigned SELLER(s), _____, and _____ and/or assigns (The "BUYER") whose address is _____.

The SELLER owns certain real estate notes (The "Notes") in the original amount of \$_____ bearing interest at the rate of ____% with a remaining unpaid balance of approximately \$_____ as of _____, 2005 secured by an agreement on certain real estate located at the following address: _____.

In consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SELLER hereby grants BUYER and/or assigns the exclusive right to purchase the 1st lien note from the SELLER for the sum of \$_____ (The Purchase Price"). Any payments received by the SELLER during the term of this Agreement or any extension thereof will be credited to the cash required of BUYER at closing to the purchase price. SELLER to keep the _____, 2005 payment if any.

SELLER hereby acknowledges that this is a contingent contract and the Purchase Price is subject to receipt, review and approval by the BUYER of all required documentation. SELLER acknowledges that BUYER will require as a condition to its exercising the option herein granted a satisfactory appraisal of the real estate described above, a satisfactory review of the purchaser's credit history (of which authorization is given to retrieve), a satisfactory review of the property's hazard insurance, a satisfactory review of the property's title, review of the original Note and satisfactory documents authorizing the sale of said Note. All normal closing costs will be the responsibility of the BUYER.

BUYER agrees to use its best efforts to act diligently in closing on this transaction to purchase SELLER's Note. SELLER understands that SELLER will reimburse BUYER for ALL incurred expenses, ONLY in the event SELLER chooses to cancel this agreement under its original terms. In addition, SELLER further agrees that should the property appraise for less than \$_____ and SELLER does not accept the price reduction, SELLER agrees to reimburse BUYER the cost of the appraisal not to exceed \$300.00. If SELLER elects, this transaction shall be closed through an escrow, with up to \$100 of associated escrow fees paid by BUYER.

SELLER

Date

SELLER

Date



Post Office Box 6517 Westlake Village, CA 91359 (800) 845-3055 (818) 865-2322 FAX (818) 865-2323

Straightforward, Honest, Fair ... The Way It Should Be

MORTGAGE NOTE DOCUMENT CHECKLIST

- Copy of your Signed Mortgage Purchase Agreement
- Copy of the Signed Promissory Note
- Copy of the RECORDED Trust Deed/Mortgage
- Copy of Closing Statement
- Copy of Title Insurance Policy
- Copy of Hazard/Fire Insurance
- Copy of Grant or Warranty Deed
- Copy of Payment Record
- Social Security Number(s) of Mortgagor(s)
- Complete Address of property with name of nearest cross street
- Pictures of the property (if Available)
- Copy of Mobile Home Title (if a mobile home)
- Copy of Any Superior Mortgages

Setting Up Your Note Business

1. **Rest** (not a race, give yourself time)
2. **Review and Organize** (clear a space just for the Note Business)
3. **Determine Allocated Time** (how much time can you spend on the business exact hours & days)
4. **Name Your Business** (check for domain names too)
5. **Fictitious Business Name/DBA and county biz license** (secretary of state website)
6. **Phone line, Fax number, address, Open Checking Account**
7. **Business Cards**
8. **Develop Marketing Plan** (one page marketing plan)
9. **Complete Written Marketing Plan** (must be in writing)
10. **Contact Armstrong Capital** (to review & critique your marketing plan, visit AC website & download free broker package, sign & submit Master Buyer/Note Broker Agreement, sign and submit *Code of Ethics and Conduct for the Note Industry*, sign up for free email newsletter)
11. **Develop Marketing Materials** (letterhead, envelopes, brochures, web presence, etc.)
12. **Send intro letter/emails to all Friends and Relatives** (in free Broker Package)
13. **Role Play** (walk the walk, talk the talk, listen to SOP 101 audios, get over first deal hump)
14. **Set Goals** (realistic, materialistic)

*Family

**Give Back

TWITA! ☺

Note Broker Steps

- 1) Locate Note Holders - Marketing Plan 3-5 lines in the water
- 2) Compile Information - Fill out worksheet, get the story behind the note, get the numbers, build rapport, find the need, get back to them in 24-48 hours with prices
- 3) Verify Information - Pick up calculator, verify payment amount, balloon if any, current balance
- 4) Determine Pricing - Fax or Email as an attachment a nice, neat, clean and complete worksheet to favorite Master Buyer and a couple of other investors. Receive options back in 24-48 hours. SUBTRACT flat fee and Prepare to Positively Present options.
- 5) Negotiate Acceptance - Smile ☺... Negate the full purchase & Push the Partial. If NO then put on follow up list. If YES then set the hook! Get a copy of the Note, Settlement Statement and Payor's SS#'s to firm up the prices. Send copies and SS# to investor to check credit and firm up prices. Renegotiate if necessary. Prepare Initial Purchase Agreement and list of what you need to continue. Gather all copies and information for due diligence package. Send to investor when 90-100% complete.
- 6) Due Diligence - Assist Investor with any questions or additional information they may need.
- 7) Closing and Funding - Wait for Check! ☺

Note Investor Steps

(when you are ready to buy a note for yourself)

- 1) Locate Note Holders - Marketing Plan 3-5 lines in the water
- 2) Compile Information - Fill out worksheet, get the story behind the note, get the numbers, build rapport, find the need, get back to them in 24-48 hours with prices
- 3) Verify Information - Pick up calculator, verify payment amount, balloon if any, current balance
- 4) Determine Pricing - Use your yield, Minimum Discount, ITV and other tools to determine your pay price and options and Prepare to Positively Present options
- 5) Negotiate Acceptance - Smile ☺... Negate the full purchase & Push the Partial. If NO then put on follow up list. If YES then set the hook! Get a copy of the Note, Settlement Statement and Payor's SS#'s to firm up the prices. Check credit - Renegotiate if prices need to change because of your criteria. Prepare Initial Purchase Agreement and list of what you need to continue. Gather all copies and information for due diligence package.
- 6) Due Diligence - Credit, Appraisal or BPO, Title, Property Taxes, Hazard Insurance, Google, etc.
- 7) Closing and Funding - Prepare and send out closing documents, record assignment, and fund by sending check or wire to seller. Send Goodbye letter to Hazard Insurance Company and Servicing Company if necessary. ☺

Note Investor Criteria Sheet

Not all inclusive, other criteria and data may be needed to determine note safety and purchase-ability.

Name: _____

Address: _____

Phone Number(s): _____

Email Address: _____

Acceptable States, Counties or Cities: (please list or explain) _____

Acceptable Property Types:

___ Single Family Home ___ owner-occupied ___ rental

___ Mobile Home with Land ___ SW ___ DW ___ TW

___ Mobile Home without land ___ SW ___ DW ___ TW

___ Other Residential 1-4 units

___ Commercial

___ Industrial

___ Improved Land

___ Raw Land – Up to _____ acres

Minimum Discount: \$ _____

Minimum Yield Requirement: _____ %

Minimum Note Size: \$ _____

Maximum Note Size: \$ _____

Maximum ITV: _____ %

Payor Credit Scores (minimum): _____

Partial Purchases or Full Purchases only: _____

Acceptable Unusual Circumstances: (interest only, no payments, zero% interest, etc.)

Additional Information: _____

Jeff Armstrong is the President of Armstrong Capital www.armstrongcapital.com. With over 1500 note transactions closed since the inception of Armstrong Capital, Jeff's knowledge and experience in the note industry is unsurpassed. Consistently ranked as one of the top note brokers in the nation, Jeff is the author of several bestselling industry books and products as well as a multitude of articles on the note business. In the industry since 1991, Jeff is a recognized and requested speaker on private mortgages at industry events nationwide, and has helped countless brokers to succeed in the business.

Don't forget to visit www.armstrongcapital.com and click on "Note Brokers" to download his FREE BROKER PACKAGE, sign up for his FREE MONTHLY EMAIL NEWSLETTER, read dozens of articles and review helpful products. You will also be able to get more information about the live Secrets of Paper Workshops, Referral Programs and how Armstrong Capital can help you succeed and much more! He may just be your "Favorite Master Broker/Buyer"! TWITA!

Other useful items for the Note Professional

<input type="checkbox"/> Broker Package (Download online today!)	FREE
<input type="checkbox"/> Monthly Email Newsletter (Sign up online today!)	FREE
<input type="checkbox"/> Secrets of Paper 101 (includes 4 audio discs of live beginning 1-day workshop and workbook)	\$149.00
<input type="checkbox"/> Calculator Secrets (265 pages of step by step calculator instruction with over 60 real worksheets)	\$ 97.00
<input type="checkbox"/> Personal Cash Flow Prosperity w/ Tail Ends: How to Keep a Piece of the Action (Includes 2 audio CD's with transcripts and in depth examples)	\$ 67.75
<input type="checkbox"/> Every Single Profitable Note Marketing Idea In the World (Almost)! With Jon Richards (includes CD with customizable Note Holders Handbook)	\$ 47.50
<input type="checkbox"/> Scripts & Tips (includes CD with 20 of the most used industry forms)	\$ 34.99
<input type="checkbox"/> Note Holder's Handbook (shows Note Holders how to profit and correctly manage their note)	\$ 29.99
<input type="checkbox"/> Glossary of Private Mortgage Note Terms	\$ 9.99
<input type="checkbox"/> Total Package (all of 5 of Jeff's books)	\$240.00
<input type="checkbox"/> Note Business Complete Starter Package (Total Package + SOP 101 audios + steps)	\$300.00
<input type="checkbox"/> Art of Target Marketing for Note Holders 5 part Video series (accessed online)	\$109.00
<input type="checkbox"/> Telephone Consultation	\$400.00/hr
<input type="checkbox"/> Email Consultation	\$600/mo
<input type="checkbox"/> One on One mentorship/coaching with Jeff Armstrong	\$call for price
<input type="checkbox"/> A Day with Jeff	\$call for price

For a complete list, details, descriptions and more information on the above mentioned products and services visit www.armstrongcapital.com and click on "AC Products" or give Jeff a call at 818-865-2322.



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Straightforward, Honest, Fair ... The Way It Should Be
Mentorship Program

For specific individual detailed guidance toward your success we offer hands on, one-on-one Mentorship Program with Jeff Armstrong. On our first call we will customize a mentorship program for to move you towards your personal goals. Some of the things we usually cover may include:

Getting Started - Business focus, Strengths and Weaknesses, Who You Know, Finances and Ideas

Marketing For Notes – Advertising, Direct Mail, Referrals, "Every Single Profitable Note Marketing Idea in the World (almost)" and Your Marketing Materials

Good and Bad Notes – What is a Good note, What is a Bad note, Types of Property, Mortgages, Deeds of Trust, Firsts, Seconds, Wholesale and Retail

Analyzing Notes – Completing a Worksheet, Additional Info Needed, Full Purchases, Partial Purchases and Split Options

Presenting the Offer and Negotiating – Presentation Options, Objections, Price Letter and "Scripts & Tips"

Packaging an Accepted Note Transaction – Proper Packaging for Quick Approval, Submitting to Funding Sources and Assisting with Closing

You will receive:

- Complete Note Business Starter Package
- Six ½ hour phone sessions (usually run longer)
- 6 months of e-mail support (at a minimum)
- Assistance with refining your marketing materials including business cards, letters, postcards, brochures and website.
- Exclusive, hands on, one-on-one assistance by Jeff Armstrong in marketing, negotiating (including conference calls with note sellers if the situation warrants), packaging and closing your first 3 transactions (at a minimum) with Armstrong Capital acting in a Master Buyer capacity and giving Mentorship students priority treatment.

Mentorship Program Fee: \$4,997.00 – (Must be paid in full in advance.)

First scheduled call TBD - CA time

Agreed and accepted:

Your Name Here

Date

Phone number – prefer Land line for weekly calls

Self Confidence Formula

- 1) I know I have the ability to achieve the object of my definite purpose in life. Therefore, I demand of myself persistent continuous action towards its attainment and I here and now promise to render such action.
- 2) I realize that the dominant thoughts of my mind will eventually reproduce themselves in outward physical action and gradually transform themselves into physical reality. Therefore, I will concentrate my thoughts for 30 minutes daily upon the task of thinking of the person I intend to become. Thereby creating in my mind a clear mental picture of that person.
- 3) I know through the principle of autosuggestion, any desire that I persistently hold in my mind will eventually seek expression through some practical means of attaining the object back of it. Therefore, I will devote 10 minutes daily to demanding of myself the development of self-confidence.
- 4) I have clearly written down a description of my definite chief aim in life and I will never stop trying until I have developed sufficient self-confidence for its attainment.
- 5) I fully realize that no wealth or position can long endure unless built upon truth and justice. Therefore, I will engage in no transaction that does not benefit all whom it affects. I will succeed by attracting to myself the forces I wish to use and the cooperation of other people. I will induce others to serve me because of my willingness to serve others. I will eliminate hatred, envy, jealousy, selfishness, and cynicism by developing love for all humanity, because I know that a negative attitude towards others can never bring me success. I will cause others to believe in me because I will believe in them and in myself.

(Tape this to your bedroom door and read it aloud every morning when you wake up and every evening just before you go to bed.)