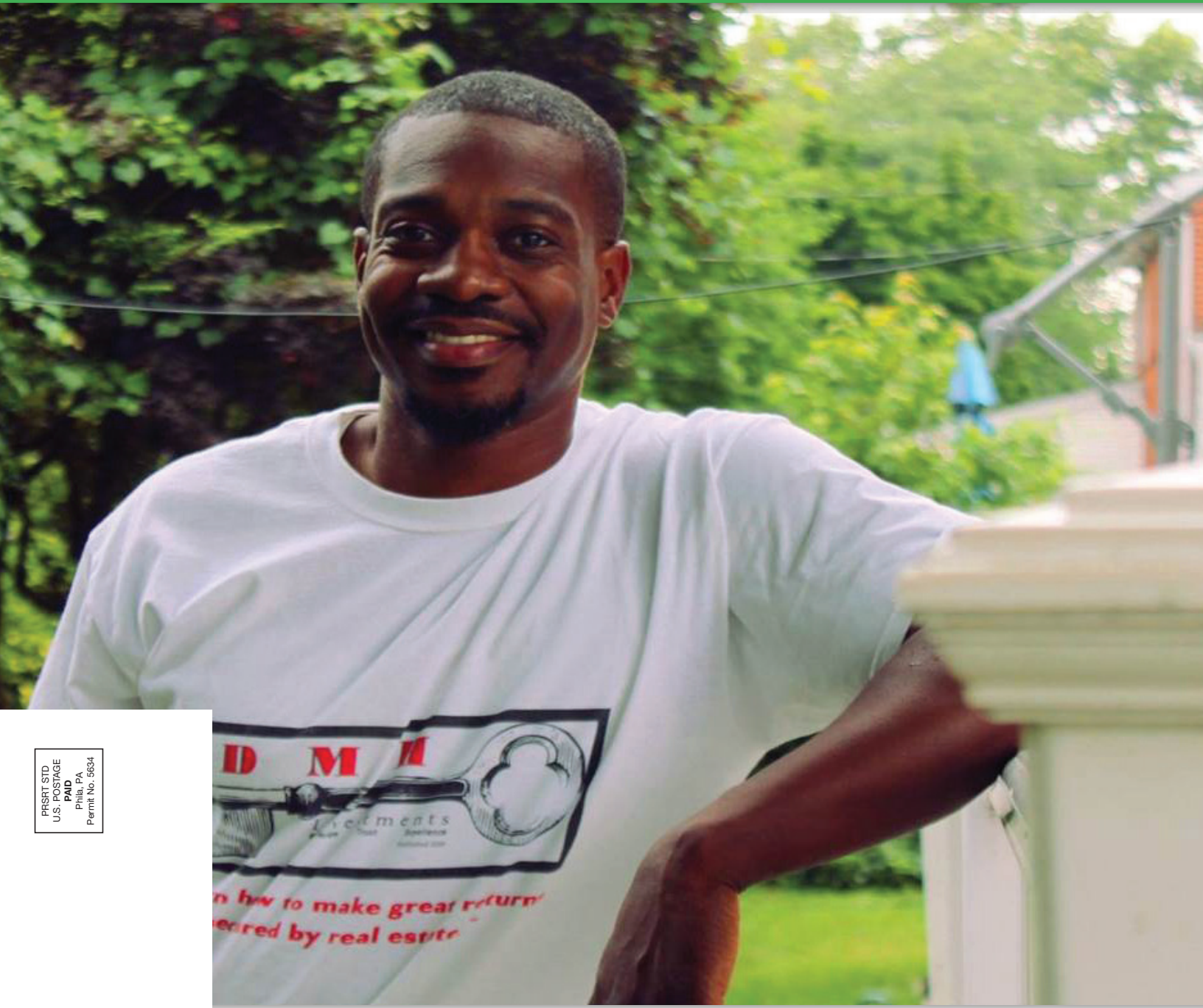


# THE Diversified INVESTOR

A Publication of Diversified Real Estate Investor Group

July 2018



PSRT STD  
U.S. POSTAGE  
PAID  
Phila, PA  
Permit No. 5634

## IN THIS ISSUE:

- THIS MONTH'S MEETING: DIG MEMBER DANIEL HARVEY – I QUIT MY JOB TO BUILD A MILLION DOLLAR RENTAL BIZ & YOU CAN TOO!
- SOLVING PHILLY'S HOUSING CRISIS PG. 6
- FED'S TARGET HACKERS IN WIRE TRANSFERS PG. 25



# HMB

**HARDMONEYBANKERS.COM**

Private Real Estate Lending

- Equity Based Private Lending
- 100% Acquisition & Construction Financing
- Loans up to 65% of the After Repaired Value
- Fast Closings & 24 Hour Approvals
- Lending on investment residential and commercial properties

 **215.839.3271**

**ian@hardmoneybankers.com**

**www.hardmoneybankers.com**



## In This Issue >>



**How I Quit My  
Blue-Collar Job &  
6 | Created a Multi-Million  
Dollar Rental Portfolio...  
...and How YOU Can Too!**



**19 | Dear  
Dr. DIG**



**21 | Legislative  
News**

**Dave Perri's Controversial  
6 | Solution to Philly's  
Housing Crisis**

**10 | BENEFITS OF GOOD  
NEIGHBOR RELATIONS**

**11 | Upcoming Events**

**13 | DIG Subgroups**

**17 | Steals and Deals**

**20 | Common Traits of  
Successful Entrepreneurs**

**25 | Feds Arrest Dozens in Sweeping  
Action Against Hackers Targeting Wire Transfers**

# Meet The Team >>

## Association Directors

President	Frank Nestore
Vice-President	Jon Owens
Treasurer	Raymond Lemire
Secretary	Marc Sherby
Executive Director	Stephanie Pappas
Office Administrator	Elaine Kochanski

**DIG Office Hours**  
Mon - Friday 9am - Noon  
P.O. Box 55  
Line Lexington, PA 18932  
Phone: 215-712-2525  
Email: [info@digonline.org](mailto:info@digonline.org)

Visit us at:  
[www.digonline.org](http://www.digonline.org)  
[www.diganswerline.org](http://www.diganswerline.org)

Diversified Real Estate Investor Group is the leading regional association for Real Estate Investors in the Metropolitan Philadelphia/Delaware Valley Area. DIG is a National REIA Chapter whose area includes the PA counties of Berks, Bucks, Chester, Delaware, Lehigh, Montgomery, Philadelphia and surrounding counties in South Jersey and Delaware.

We have been serving this area since 1978.

## Committee Members

Advertising/Marketplace	Elaine Kochanski
Vendors/Benefits	Marc Sherby
Education/Programs	Don Beck
Facilities/AV/CD Sales	Jon Owens
Membership	Stephanie Pappas
Technology	Scott Redilla
PROA Representative	Michael Mumma
Speakers	Raymond Lemire
	Kathy Gilmore
Subgroup Coordinator	Marian Maier
Volunteer Coordinator	Marian Maier



### DIG Disclaimer:

Diversified Investor Group recognizes that many opportunities are presented to its members and guests. As an individual, it is your responsibility to investigate, and verify, the validity of these opportunities, and consult with a professional, such as your Attorney or Accountant, before investing, as it is possible to lose money investing in real estate. DIG neither sponsors nor recommends any offering made to or by its membership or vendors. Diversified Investor Group is not responsible or liable for the performance or offering or the accuracy of any information presented.

# Monthly Meeting >>

## What Happens at a DIG Meeting?

**General Meeting: 6:00 – 9:00 PM**

**Genius Bar: 6:00 PM**

Come to the meeting and step up to the Genius Bar to get your questions answered on the spot. Hosted by two DIG members that can answer your questions or direct you to the person or place for the answers.

**Orientation: 6:00 PM**

Are you new to DIG and the real estate investing world? Are you looking for some direction on what you need to do to get started? Do you want to learn all about what DIG has to offer and get your investing career on the right track? This is the place for you! Orientation will start at 6:00 pm, and at 20 minute intervals until 7pm. At your orientation, you will receive a brief overview of DIG and all it has to offer, and an opportunity to ask questions from some of DIG's Investors!

**Round Groups: 6:00 – 7:00 PM**

Real Estate Law, Getting Started, and various other topics, such as Landlording, Foreclosures, Rehabs, Shore Rentals, Note Buying, and many other real estate topics in a Q & A format moderated by a DIG member expert.

This month's Round Groups:

Real Estate Law

Take the Plunge / Getting Started

Defer, Defer, Die / 1031 Exchanges

**Open Forum: 7:00 – 7:30 PM**

**Steals and Deals: 7:00 – 7:30 PM**

This is YOUR opportunity as a DIG member to share your deal in front of the room. Fill in the form with the information and it will be announced in front of the group and posted at the meeting for all to copy the information as well as to have it posted to the website after the meeting. Visit the website under STEALS AND DEALS to download the form and submit to [executivedirector@digonline.org](mailto:executivedirector@digonline.org) or fill in the form at the meeting to have your deal presented. **Only DIG members may submit forms.**

**Guest Speaker/Panel Discussion: 7:30 – 9 PM**

*DIG Member, Daniel Harvey presenting How I Quit My Job to Build a Multi Million Dollar Portfolio*



### Date

WEDNESDAY  
July 25, 2018



### Place

**NEW LOCATION**  
North Hills Country Club  
99 Station Avenue  
Glenside, PA 19038



### Time

6pm Discussion Groups  
7pm Open Session  
7:30 - 9pm Speaker

## Guest Speaker >>



# How I Quit My Blue-Collar Job & Created a Multi-Million Dollar Rental Portfolio... ...and How YOU Can Too!

Have you been daydreaming about getting into Real Estate and making enough money to quit your boring, getting nowhere J-O-B? Well this is a meeting you don't want to miss. DIG's own Daniel Harvey will share his experience on going from blue collar worker to building a multi million dollar portfolio and telling his boss to "take this job and #\$\$%^\$!! it!"

Daniel will walk you step-by-step through the real estate strategies that allowed him to amass a lot of property in a short time frame, replace his paycheck and care for family - as his own boss! Also learn great tips to set yourself up to succeed once you have quit your job - and what preparation you should take BEFORE you say good-bye to your weekly paycheck.

Daniel will cover:

- What is the ideal investing strategy that worked for him

- What type of properties fit his goals
- How the strategy is working now
- How he finances his deals
- What his lenders are looking for
- How he intends to grow his portfolio
- Next steps after the paycheck stops - and much more!

Come and hear Daniel's inspiring story of how he quit an unfulfilling job, prepared his goal plan, met his short term goals - and is now on his way to the next level in his Real Estate Investing in just a few short years. There's no doubt Daniels' success story will motivate and encourage you into action. Join us on July 26th - and hear one man's story of determination, goal-setting, action, hard work - and "heart"!

## Shared Housing >>



# Dave Perri's Controversial Solution to Philly's Housing Crisis

*Tuesday, May 8, 2018, By Jake Blumgart*

Licenses and Inspections Commissioner Dave Perri wants to radically rewrite Philadelphia's zoning code to make room for smaller, more inexpensive housing units. Specifically, he wants to allow more rooming or boarding housing in residential neighborhoods where this type of informal multifamily dwelling is typically barred, pushing operations into the shadows and making regulation difficult.

"We have an affordable housing crisis, but a prohibition against establishing the most

inexpensive form of housing in the areas where they are needed most," said Perri in an interview with PlanPhilly. "The code is out of sync with reality. The question is how can we responsibly put rooming houses back into neighborhoods?"

Defined roughly as a communal residence with multiple occupants who share kitchen and bathroom facilities, city codes prohibit these makeshift apartment buildings in most of the city's neighborhoods, especially outside of Center City and University City.

*(Continued on next page)*



# Shared Housing >>

## Dave Perri's Controversial Solution to Philly's Housing Crisis cont.

The restriction hasn't prevented people in the nation's poorest big city from seeking out the alternative to rents that can easily swallow a minimum wage worker's paycheck, city records indicate.

Only 82 rooming houses have been legally established in Philadelphia since 2006, according to L & I data. Yet every year, the agency conducts over 500 inspections based on neighbor complaints about illegal rooming houses.

In late 2016, L&I started a campaign of proactive rooming house investigations. The latest agency records show that the campaign has resulted in 356 inspections turning up 187 violations. Of those, 23 properties were sent to court and 15 shut down — 8 percent of those found with violations.

Perri believes the properties that have come onto the city's radar constitute only a small fraction of the rooming houses in operation. If these dwellings were on the books legally, regulating them and keeping tabs on their safety would be much easier, he says.

"We need to start a dialogue, try to rethink this, and create a way of controlling this type of occupancy," said Perri. "It's out there because there's a demand for it. So it behooves us to figure out a way to properly regulate it."

Although they are generally not easy to detect from the exterior, illegally shared dwellings came into the city's consciousness in March after a devastating fire took four lives--and left the bodies of Alita Johnson, her father, and her son undiscovered for days. Fire Commissioner Adam Thiel told reporters that the family weren't found because the three-story North Philadelphia rowhouse was zoned for a single family, but had been illegally subdivided into as many as six units.

The fire brought attention to the preponderance of rooming houses in low-income sections of the city. But it's not only poor and working-class families who live in them. In West Philadelphia and around Temple University, students pile into converted Victorians and not always legally.

### A housing solution fit for Benjamin Franklin

Shared houses have always been a piece of the urban housing puzzle. Their outlaw status began after reformers began passing zoning laws restricting them in the 1920s, often as a means of excluding lower-income workers and other residents from wealthier areas. It only accelerated after the Second World War,

as incomes rose and housing policy at all levels of government privileged single-family housing.

"All the way back to the founding, [rooming houses] have been part of America's housing fabric," said Alex Armlovich, a fellow at the Manhattan Institute. "When [Benjamin] Franklin moved from Philly to Boston as a teenager one of his first place of dwelling was a boarding house. A number of founding fathers at the Constitutional Convention stayed in congregate housing in Philadelphia."

Changing the law to make rooming houses easier to legally establish is likely to be an uphill battle, especially because homeowner groups fear that rooming houses will lower property values. And their interests tend to be much better represented in City Hall than poor renters.

"I'm very impressed he's talking about legalizing this," said Armlovich. "I've never heard of that before from a public official. Generally, when advocates talk about how we need to accommodate [rooming houses], elected officials say we need to get [rooming houses] out of our city or out of the neighborhood."

That pattern plays out in Philadelphia. At his department's budget hearings, Perri raised concerns about the city's zoning code pushing

(Continued on page 9)

## SAVE 25% BIGGER

### At BigCentric On Identical Appliance Sets

	4 Piece Stainless Steel Kitchen Appliance Set		
	\$1856	\$2696	\$2700
	\$2008	\$2566	\$2540

**Just Compare - The Numbers Speak For Themselves!**

- ✓ Free local delivery to the greater Philly area
- ✓ Free standard haul away of old appliances
- ✓ Free standard parts with every order
- ✓ Free 30 day storage
- ✓ Save an additional 6-8% with no sales tax

## APPLIANCE & MATTRESS

(302) 304-1010  
www.bigcentric.com  
151 Edgemoor Rd, Wilmington, DE  
M-F 10 - 7, Sat 10 - 5, Sun Appt. Only

Comparison based on public advertised prices for the same products on the same date at the time of research and includes rebates. Information is representative only. Limitations apply to delivery and parts offers. Contact us for details.



Stonehedge Funding, LLC

We Lend Confidence!



**Spring is in the air; do you have a good deal, but need Cash?  
Tired of Banks & Mortgage Companies?  
Then you should reach out to Stonehedge Funding, LLC TODAY!**

We are a direct lender specializing exclusively in investor purchase and rehab financing.

*We are currently Offering: \* Fast Approvals \* 65-70% ARV \* 3-6 mos. Debt Service  
\* Desktop appraisals \* Rapid Funding  
\* Loans to LLC's & Entities \* Local Market Expertise*

*Interested in doing multiple deals in a year then  
Stonehedge Funding, LLC is for you!*

**Deal directly with the creative and flexible decision makers!**

For Common Sense Decision Making and Great Service, Please  
*Call Tara Lambert, Linda Tosto or Jim Bennett at (610) 873-6022*

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



**DIG** Members  
Receive A  
Discount!

Proud Members Of:



Delaware County  
Apartment Association

Proud Members Of:



Delaware  
Apartment Association

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

**Total Flooring Rehab Specialists!**

Full Service Floor Company For Any Need: Apartment Complexes, Commercial Real Estate  
Corporate Offices, Builder/Developer, Residential Housing  
Professional, Courteous Sales & Installation, Account Management By Industry Experts!

2969 Samuel Drive Bensalem, PA 19020

PA: 215-639-6300 TRI-STATE: 800-523-5230 FAX: 215-639-0135

E-Mail: [contract@keystonefloorproducts.com](mailto:contract@keystonefloorproducts.com)

**24-48 Hour Installation Available!**

**Proudly Serving The Tri-State Area For Over 60 Years!**



Pre Demolition Sales  
A major east coast recycling operation.

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

Kevin Tobin  
Owner

[ktobinrealtor@gmail.com](mailto:ktobinrealtor@gmail.com)

1 610 389 4994 cell  
1 610 240 0365



## Dave Perri's Controversial Solution to Philly's Housing Crisis cont.

rooming houses into the underground economy. But besides Councilman Al Taubenberger —who reminisced about a well-run New Deal-era rooming house on his old block in the Northeast — councilmembers avoided the topic.

Under current city regulations, the only way to establish a rooming house legally is in the densest zoning districts—CMX-3, CMX-4, CMX-5, and IRMX—or with the permission of the Zoning Board of Adjustment, which is not often inclined to see these cases favorably. In areas zoned for apartment buildings and other multifamily development, landlords seeking to establish legal rooming houses must get a special exception — an easier win than the variance needed in a single-family district.

Beyond the controversial zoning idea, Perri's proposals also include changes to the fire and code and licensing requirements.

The least controversial of Perri's ideas is the fire code revision — a change that would require group living residences, including rooming houses, to install hardwired interconnected smoke alarm systems instead of the less costly battery-operated versions that residents too often fail to maintain. The commissioner says he already has support in City Council and there is a draft of the bill drawn up.

But that tweak won't make much difference if most rooming houses exist under the radar. It's the zoning reforms Perri hopes to advance that will generate the most significant change — and the most resistance. With that in mind, the commissioner plans to introduce proposals that he believes would mitigate the impact of rooming houses on neighborhoods. One idea is a new zoning classification that would discourage multiple such houses from clustering on a single block. Perri notes that there are other regulated uses in the zoning code — a marijuana dispensary has to be a certain distance from a school — and that a creative solution can be found to make a similar allowance for de-concentrating rooming houses.

"I firmly believe we could put rooming houses into traditional residential single-family blocks and that type of more transient use can be fully absorbed without any negative impact," said Perri. "But if you put ten of them on a block then you've changed the character of the block. The key is to create a classification and then carefully put it in place so you don't create an overwhelming burden on the existing community."

Perri also wants to discuss the creation of a zoning permit that landlords would have to renew every five years. If an owner had a track record of badly running a rooming house, then his permit wouldn't be renewed, allowing the city more oversight of

such properties.

If zoning changes like these come to pass, Perri would then like to see a new licensing regimen created for rooming houses, which now receive rental licenses like any other rental property. But that question is moot under the current system, where few landlords bother registering rooming house properties.

All of this would dramatically increase the number of inspections L&I has to perform. But Perri says his department could handle the burden.

"If there are 5,000 of these units out there we could absorb doing 5,000 inspections," said Perri.

Perri says that he has discussed the fire code changes with City Council President Darrell Clarke, who is supportive. But he hasn't yet taken up zoning code reform with the full council or the Planning Commission. Gary Jastrzab led the commission until last year. He says that in his almost forty years with the city he's never heard of a city official championing the legalization of rooming houses.

"This is a pretty notable development and it's an interesting idea worthy of further thought," said Jastrzab, who retired in July of 2017. "But neighborhoods have always been pretty resistant to the idea of those boarding homes as a matter of right. I think the reason for that is primarily because the residents of those kind of properties are generally regarded as being more transient."

Jastrzab recalls that the city studied the concentrations of rooming houses and group-living institutional uses in Philadelphia's neighborhoods in the early 1980s and early 1990s. The point of those studies was to try and steer the ZBA away from allowing more rooming houses in neighborhoods where they were already concentrated. The studies revealed the highest density of the dwellings in Germantown and West Philadelphia, where larger houses constructed for the middle-class were being carved up to meet a greater demand for cheaper housing.

Jastrzab says he has a hard time imagining the city's elected councilmembers making it easier for landlords to avoid the ZBA process, where neighborhood associations can make their voices heard.

"There probably only a small chance it could get out of City Council," says Jastrzab. "Neighborhoods are opposed to the idea either because of market values or new people coming to the neighborhood who may be unlike those who live there now. That's a real irritant to councilmembers."

*\*Source: PlanPhilly.com; 5/8/2018*



## BENEFITS OF GOOD NEIGHBOR RELATIONS

by Jeffrey Taylor

When you build a bond between your residents and neighbors, you are helping to build a friendship that will almost guarantee that your residents will stay in your rental a lot, lot longer than they would otherwise. Studies reveal that neighbors who are friends will stay at their residences up to three times longer than neighbors who never get to know anything about each other.

Residents who develop friendships with neighbors are also more apt to keep their homes and yards looking good because they are more concerned about what their friends think than what strangers think. Not only that, the neighbors will look out for their friend's property (which includes your property) to a far greater extent, than just monitoring it for a landlord. Finally when problems do occur, instead of calling the landlord, friendly neighbors are quicker to call on each other to protect, fix, care for, and solve property related problems.

The benefit you receive from good neighborly relations are numerous and well worth any small efforts you can make to promote good relations.

So this year don't just introduce yourself to neighbors next door. Do one or two small things to promote good relations between your residents and their neighbors.

Dear Neighbor,

I own the house at ... I value your neighborhood or I would not have bought the house. I am looking for new tenants or people to buy the house. It is important to both of us to get tenants who are good people, their children will play with your children, your sleep could be disturbed by their loud parties. I want you to enjoy having the new residents as neighbors and friends.

The best way to get good people is for friends of yours to take the house, the rent is \$ /month. If you know someone who may be interested in either buying or renting; give me a call or have your friends call me. I give \$100 to anyone who finds me a good tenant, more if you know someone who buys the house. I would like you to call me if you see anything that you don't like going on at the property. I will handle the situation immediately. Also I promise that I will not tell anyone who told me about the problem without your permission.

If there is an urgent problem and you cannot reach me please call the police, I will take full responsibility for the call.

Yours sincerely,

## SHAWLAW

THE ONLY NAME YOU NEED TO KNOW FOR REAL ESTATE!

SALES AGREEMENTS  
OPTION CONTRACTS  
LEASE PURCHASE AGREEMENTS  
PURCHASE MONEY MORTGAGE DOCS  
"SUBJECT TO" DOCS  
LLC/CORPORATE FORMATIONS  
LL/T PROBLEMS  
TITLE INSURANCE/SETTLEMENTS  
DOUBLE CLOSINGS  
BANKRUPTCY  
COLLECTIONS

ONE STOP SHOPPING

LAW OFFICES OF BRUCE SHAW PC  
215 657 2377  
WWW.SHAWLAWS.COM

## Upcoming Events >>



# 2018

**WEDNESDAY**  
**July 25**

**HOW I QUIT MY JOB  
TO INVEST FULL TIME**

**August 30**

**WEBINAR ON HOW TO BUY,  
REHAB AND MANAGE OUT  
OF STATE PROPERTIES**

**September 15**

**DIG U  
FORECLOSURES &  
SHERIFF SALES**

**September 16**

**DIG U  
AGREEMENTS OF SALE**

**September 22**

**DIG U  
ASSET PROTECTION /  
FINANCING**

**September 23**

**DIG U  
WHOLESALE**



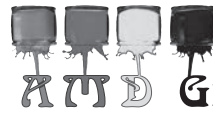
## DO BUSINESS WITH YOUR FELLOW DIG MEMBERS!



**Tiffany Moore**  
Pro Account Representative

5325 Nottingham Drive  
Suite 120  
Nottingham, Maryland 21236

(443) 519-8354  
Fax (877) 959-8218  
Tiffany\_M\_Moore@homedepot.com  
www.homedepot.com



PARENT COMPANY OF  
PRINT 'N COPY  
&  
GRAPHIC IMAGES

**Graphics  
INC.**

- Offset & Raised Printing
- Full Color Printing
- Layout & Design
- Xerox Hi-Speed Copying
- Complete Mailing Services

10300 Drummond Road  
Philadelphia, PA 19154  
**215.728.8600**  
Fax 215.342.8133  
printncopy.com



**TenantReports.com**  
INSTANT TENANT SCREENING SERVICES

Instant Comprehensive Tenant Screening Services 24/7 **Online**

- ✓ Credit Reports (Experian/Equifax/TransUnion)
- ✓ State & Nationwide Criminal Checks
- ✓ State & Nationwide Eviction Reports
- ✓ Income Verifications
- ✓ And More...

**Lawrence A. Brennan**

ph 855.244.2400

fax 855.244.2401

TenantReports.com™

Larry@TenantReports.com



Have you considered investing in Large Apartments?

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

[investors@penncapitalgroup.com](mailto:investors@penncapitalgroup.com)

(267) 225-7611

LAW OFFICE OF

**BONNIE G. OSTROFSKY, P.C.**

1417 BETHLEHEM PIKE  
FLOURTOWN, PA 19031-1904  
(215) 233-5344

CONCENTRATING IN:

- ELDER LAW
- REAL ESTATE LAW
- BUSINESS LAW

• ESTATE PLANNING, WILLS & TRUSTS

FAX (215) 233-1797

E-MAIL BGO@USA.NET

HTTP://BGOLAW.COM



Offering title insurance, property searches and  
closing services throughout Pennsylvania.

**877-741-7713 Phone**

Ask for Andrew Salvucci, Esq.

**YOUR AD COULD APPEAR HERE  
CALL ELAINE  
215-712-2525**

## The Industry's Best Tool for Investors and Landlords

**SCREEN-LEASE-ONLINE PAY**

REIA Members Enjoy a Lifetime  
Membership for Only .95 Cents!



An Investigative Screening Company

1-877-922-2547 [www.RENTPERFECT.com](http://www.RENTPERFECT.com)

SCAN CODE OR  
CONTACT YOUR  
CHAPTER FOR  
THE DISCOUNT:



### DIVERSE TECHNICAL LINES, INC.

*Employee Benefit Consultants*

**AGENTS FOR ASSOCIATION AND  
CHAMBER OF COMMERCE GROUP INSURANCE PLANS**

TRADITIONAL, PPO, POS AND HMO MEDICAL PLANS  
PRESCRIPTION PLANS • DENTAL PLANS  
GROUP LIFE AND DISABILITY PLANS

**2 RED BARN MALL • 120 S. YORK ROAD  
HATBORO, PA 19040  
(215) 674-9400 • (800) 734-9400**

**1-2-3 lending**

Karen Fischer  
[Karen@123lending.net](mailto:Karen@123lending.net)

215.794.2665 office  
215.534.3480 cell

[www.123lending.net](http://www.123lending.net)

## Monthly Meetings (Subgroups are for MEMBERS only)

### Bucks & Montgomery County

#### BuxMont Breakfast Subgroup

Meets the 2nd Thursday at 8:30am in Line Lexington.  
Contact Dina Yannich, rentals@yournewhomeagent.com

#### Rehabbers Subgroup

Meets the 3rd Wednesday at 9:00am in Montgomeryville.  
Contact Don Rotanz don@buxmonthomebuyers.com

#### Vacation Rental Subgroup

Meets the 3rd Wednesday in odd numbered months at 6:30pm in Horsham.  
Contact Susan/Larry Cerrito SMCerrito@comcast.net

#### Lower Bucks County Subgroup

Meets 4th Tuesday of the month at 6:30 PM in Trevoze.  
RSVP Garrymiller1@yahoo.com

#### Central Bucks Subgroup

Meets the 1st Monday at 6:30pm in Warminster.  
Contact Mardi Harrison mardi@funding4flippers.com  
Closed July and August

#### Creative Real Estate Investors Group

Meets the 1st Wednesday at 9:00am in Dublin.  
Contact Don Rotanz don@buxmonthomebuyers.com

#### Eastern Montco Sub Group

2nd Tuesday of the month except for July and August at 630pm in Hatboro. Robin Laufer, Hatboro443@yahoo.com

### Delaware County

#### Delaware County Subgroup

Meets the 1st Wednesday at 6:30pm in Havertown.  
Contact Daniel Harvey dmhinvest@gmail.com No July/August

### Chester & Lehigh County

#### Chester County Subgroup

CLOSED Temporarily.  
Looking for a new leader

#### Chester/Montgomery Subgroup

Meets the 2nd Wednesday at 7:00pm in Oaks.  
Contact Steve Babiak sbabiak2183@gmail.com  
No January, July and August meetings

#### Lehigh Valley Subgroup

This group is CLOSED and looking for a new leader  
Interested? Email membership@digononline.org

### Philadelphia

#### Philadelphia Subgroup

Meets the 3rd Tuesday at 7:00pm in Philadelphia.  
Contact Joe Thomas jestprise@aol.com

#### Phil-Mont Sub Group

2nd Monday of the Month 6:30 PM to 8:30 PM in Conshohocken. Contact Austin Jones atjones42@gmail.com

#### Philadelphia/Lower Bucks Commercial Subgroup

Meets the 1st Tuesday at 6:30pm in Philadelphia.  
Contact Joe Scorese jscorese@firsttrust.com  
Closed July and August

#### Phila Breakfast Subgroup

Meets every Friday at 8:00 am in South Philadelphia.  
Contact Joe Scorese jscorese@firsttrust.com

#### Philly Riverwards Subgroup with HAPCO

Meets the 3rd Wednesday of the Month at 6:30-8:30PM in Philadelphia.  
Contact Joe Scorese jscorese@firsttrust.com

#### South Philly Rehabber's Subgroup

Meets the 4th Monday at 6:30 pm in Philadelphia.  
Contact Stephen Mazza or Joe Scorese  
welovephillyrealestate@gmail.com jscorese@firsttrust.com

#### University City Subgroup

Meets the 3rd Monday at 6:30-8:30pm in Philadelphia.  
Contact Pex Arellano or Joe Scorese parellano@cbpref.com  
jscorese@firsttrust.com

### New Jersey

### Burlington County

#### Burlington County Subgroup

Meets the 2nd Thursday at 6:30 pm in Maple Shade Township.  
Contact Joe Scorese jscorese@firsttrust.com

**Members, for more information and exact locations please contact the leader or go to digonline.org**

### NEW GROUPS WELCOME

Want a great way to network? Join a subgroup near you! This is a great way to meet new people and talk about issues that pertain to your area of investing. No group in your area? Why not start one! If you are interested in starting a new group send an email to subgroups@digononline.org.



# DIG VENDOR SPOTLIGHT

Please patronize our DIG vendors for the best in service and pricing.



Phone (610) 873-6022

Fax (610) 873-6026

## STONEHEDGE FUNDING, LLC

*The Alternative Financing Source for Real Estate Investors*

JAMES M. BENNETT  
President

P.O. Box 460, Uwchland, PA 19480-0460  
www.stonehedgefunding.com



Tiffany Moore  
Pro Account Representative

5325 Nottingham Drive  
Suite 120  
Nottingham, Maryland 21236

(443) 519-8354  
Fax (877) 959-8218  
Tiffany\_M\_Moore@homedepot.com  
www.homedepot.com

**NEW VENDORS  
WANTED  
ADVERTISE HERE!**

**NEW VENDORS  
WANTED  
ADVERTISE HERE!**

JOHN J. HEPNER

(215) 672-7150

HEPNER & ASSOCIATES  
Accountants

Small Businesses &  
Taxes & Real Estate

PO Box 1163  
Willow Grove, PA 19090



ANTHONY GONZALES  
Broker, General Manager

Cell: (610) 466-5446  
Office: (610) 664-3254  
Email: Anthony.Gonzales@newwestern.com

1 Belmont Ave., Ste. 610  
Bala Cynwyd, PA 19004

www.NewWestern.com



CamaPlan  
Personalized Self Directed IRA Planning

Ryan Fischer  
Account Executive  
rfischer@camaplan.com

p 866.559.4430 | f 973.302.8622  
www.camaplan.com



Certified Public Accountants  
Management Advisors  
State and Local Tax Consultants

RAYMOND P. MINICH, CPA MS

204 N West Street  
Suite 103  
Doylestown, PA 18901

Office: (267) 247-7601  
Fax: (267) 247-7603  
Email: rpm@RPMinich.com



INVEST IN REAL ESTATE THE EASY WAY. HANDS FREE AND HASSLE FREE

www.RealEstateTheEasyWay.com

(855) 653-8201

**NEW VENDORS  
WANTED  
ADVERTISE HERE!**



Adam Rothberg  
Account Executive

125 E. Elm Street  
Suite 210  
Conshohocken, PA 19428

Direct: 215.866.0070  
Cell: 610.761.3790  
Fax: 215.509.2355 (BELL)  
arothberg@bbfpa.com  
www.bbfpa.com



KitchenSearch.com

Alex Ankudovich

(215) 253-5800 ext.101 office  
(215) 600-1307 fax  
alex@kitchensearch.com  
www.KitchenSearch.com

1296 Adams Rd., Unit 210  
Bensalem PA 19020

FOUNDATION  
SUPPORTWORKS®  
by BQ Basement Systems

Charles Schofield  
Commercial Marketing Manager



800-339-2070 • Fax 215-233-5527 • Cell 215-778-2069  
525 Bethlehem Pike • Erdenheim, PA 19038  
cschofield@BQBasementSystems.com • www.BQBasementSystems.com



Private Money Lending In Eastern PA And New Jersey

215.839.3271

ian@hardmoneybankers.com  
www.hardmoneybankers.com

**NEW VENDORS  
WANTED  
ADVERTISE HERE!**



MONTGOMERY  
TILE & DESIGN  
...from current to closeout

Sheryl Lester  
sheryl@montgomerytiledesign.com

Hours:  
M, W, F - 8am - 5pm  
Tu, Th - 8am - 7pm  
Sat - 8am - 2pm • Sun - Closed  
213 Keystone Drive  
Montgomeryville, PA 18936

267-462-4857 or 4858

Fax 215-367-5898

montgomerytiledesign.com

Auction.com  
Renee Girifalco  
1 Mauchly  
Irvine, CA 92618  
215-694-1506  
rgirifalco.PTA@auction.com

WHERE  
REAL ESTATE  
IS MOVING

auCTION.com



Steven Seymour  
Broker/Owner

307 N Walnut St  
West Chester, PA 19380  
Cell: (484) 880-1236  
Office: (484) 800-1777  
steven@vralliance.com  
www.VRAlliance.com





# DIG VENDOR SPOTLIGHT



**BAUM, SMITH & CLEMENS, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS and BUSINESS ADVISORS

**David R. Goettelman, CPA**  
Senior Account Manager

2128 North Broad Street  
Lansdale, PA 19446  
Phone: 215-368-5755 ext 138  
Fax: 215-368-7038  
Email: daveg@bsccpas.com  
Website: www.bsccpas.com

Member of  
**CPA AMERICA**  
INTERNATIONAL  
Member of PCPS/The AICPA  
Alliance for CPA Firms

List on the MLS for \$289

**simple  
choice**  
realty.com

DIG members get a \$50 discount  
Use coupon code - DIG

**TCS** MANAGEMENT

KEEPING IT SIMPLE. DOING IT RIGHT

**Joseph Puggi**  
New Client Originator

O: 215.383.1439 x108 M: 215.370.6909  
joseph@tcsmt.com • www.TCSMGT.com  
2001 Hamilton Street, Suite 227, Philadelphia, PA 19130

**NEW VENDORS  
WANTED  
ADVERTISE HERE!**

**1031** CORP.



**Ellie Trovato**  
Business Development Manager

100 Springhouse Drive  
Suite 203  
Collegeville, PA 19426

1.800.828.1031  
610.792.4880 ext. 215  
Mobile: 484.798.9430  
Fax: 610.489.4366  
ellie@1031CORP.com  
www.1031CORP.com

Award-Winning Professional Home Staging

*Victoria Guillot*  
**STAGE  
COACH**

Victoria Guillot  
267-221-1569

StageCoachServices.com  
victoria@stagecoachservices.com



**RUSHFORTH ENGINEERING**  
Structural inspections and recommendations  
for residential and commercial buildings

**Alan Rushforth, PE**  
610-520-1968 Office  
215-620-6345 Cell

AlanRushforth@comcast.net www.RushforthEngineering.com

**rentwell**<sup>TM</sup>  
LEASE • MANAGE • MAINTAIN

**Alin Bilc, Team Leader**

abilc@rentwell.com  
Direct: 484.474.0146

630 Parkway Drive  
Broomall, PA 19008  
Office: 877.473.6821

**NEW VENDORS  
WANTED  
ADVERTISE HERE!**

**LendingOne**

**JASON FORMAN**  
Business Development Manager

(561) 717-2860  
jforman@lendingone.com  
LendingOne.com

901 Yamato Road  
Suite 150  
Boca Raton, FL 33431

**NEW VENDORS  
WANTED  
ADVERTISE HERE!**

**PPR**  
Share. Build. Preserve.

PPRNoteCo.com

200 Berwyn Park, Suite 210  
920 Cassatt Road  
Berwyn, PA 19312

**Absolve Contracting LLC**  
Plumbing HVAC Remodeling

**Joe Duda**  
Master Plumber  
484-636-7741  
josephdudajr@yahoo.com



**GERHARD'S**  
APPLIANCES • MATTRESSES

Charles E. Gerhard IV

"The Finest in Appliances & Service"

GLENSIDE  
290 Keswick Avenue  
Glenside, PA 19038

Tel 215-884-8650 ext. 130  
charles@gerhardsappliance.com  
www.gerhardsappliance.com

**CRAZY OPTIONS TRADER.com**  
**CRAZY REAL ESTATE INVESTOR.com**  
Learn to Make Money Like Crazy!  
Call Me!  
I'll Be Glad to Show You How!  
**Larry Steinhouse**  
215-378-9190

"Increasing Your Investment Income....Securely"

**Secured**  
INVESTMENT LENDING  
Company NMLS #398266

**Trey Aulls**  
CEO, NMLS #241733  
483 Montgomery Place  
Altamonte Springs, FL 32714  
Office: 407-878-2830, Ext. 231  
Cell: 352-678-7464  
Fax: 407-878-2831  
Toll Free: 855-485-9032

Trey@SecuredInvestmentLending.com  
www.SecuredInvestmentLending.com

LET US FUND YOUR NEXT RENOVATION

**EXTERIOR  
DESIGN  
& DEVELOPMENT**  
**CHAD SOLAR**  
President

Cell: (215) 760-4634  
Office: (215) 947-7100  
Toll Free: (888) 606-1950  
chad@exteriordd.com  
PO Box 903  
Huntingdon Valley, PA 19006  
www.exteriordd.com

**WELCOME  
TO OUR NEWEST  
VENDOR!**

## *How many landlords does it take to change a lightbulb?*

**One. But if you want to change anything else, it takes a lot more of us.**

**HAPCO fights for your interests every day. JOIN US!**

We're the Homeowners Association of Philadelphia and we're the voice of residential property owners and investors like you. In city and state government, in the courts, in negotiations with tenants' groups and others, we stand up for your rights and advance your interests.

But we need your support. Your membership will not only get you a stronger voice, it'll get you practical benefits like member discounts and our low-cost eviction service.

### **Here's what HAPCO has done for you lately:**

Worked with PGW to ensure you're not held responsible for your tenants' unpaid gas bills. PGW's landlord cooperation program, which HAPCO helped develop, allows landlords to avoid having liens placed on their properties if tenants fail to pay for gas service.

Pushed for limits on City Council's lead paint testing law. HAPCO stood up for landlords against a proposed city law that would require lead paint testing with every tenant change. We helped to hammer out a compromise that calls for testing only when the new tenants include small children.

Helped develop a Rental Suitability Certification that doesn't overburden landlords.

City Council's original rental suitability law was onerous. HAPCO led the fight to change it, helping to eliminate unnecessary requirements and expenses.

Helped maintain your right to speak before City Council. When a bill was introduced to take away the right of citizens to speak at city council meetings, HAPCO joined others to defeat the measure so that landlords would always have the right to be heard.

As a member, you'll also get access to information and strategies to help improve your business. Get the perks, get the advice, get a stronger voice.

1120 Buttonwood St. #A, Philadelphia, PA 19123  
(215) 684-1684 [www.hapcoassoc.com](http://www.hapcoassoc.com)



Covering Entire Delaware Valley Area

# rentwell™

LEASE • MANAGE • MAINTAIN

#### LEASING SERVICES

- ✓ Quality Resident Screening
- ✓ Proprietary Rental Surveys
- ✓ Professional Advertising & Marketing
- ✓ Unlimited Showing Appointments
- ✓ Detailed Applicant Screening

#### MANAGEMENT SERVICES

- ✓ Providing Peace of Mind & Value
- ✓ Maximum Return on Investment
- ✓ Convenient Online Owner Access
- ✓ Quality Resident Relations
- ✓ 24/7 Emergency Services
- ✓ Full Accounting & Financial Reporting

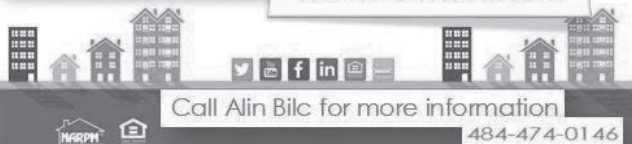
#### MAINTENANCE SERVICES

- ✓ On-Boarding Property Evaluations
- ✓ Supervision of Contractors and Vendors
- ✓ Online Work Order System
- ✓ Proprietary Rental Lock System
- ✓ Property Condition Reporting

**RentWell is focused.**

**We only Lease, Manage and Maintain.  
No sales which keeps us 100% focused  
on your investment.**

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



Call Alin Bilc for more information

484-474-0146

## **HELP EXCLUSIVE LEGAL PLAN**

**(H.E.L.P.)©**

**Serving Real Estate Owners Since 1993**

**When you need a real estate attorney call us, free of charge, and we will discuss your problem with you. If legal services are needed, our rates for DIG members are reasonable.**

**We also practice in Civil Litigation, Wills, Estates and Trusts, Corporate Law, Business Transactions and Asset Protection.**

**H.E.L.P. is just a telephone call away®**

**LAW & ASSOCIATES, L.L.C.**

**One Penn Center**

**1617 J.F.K. Boulevard - Suite 1055**

**Philadelphia, PA 19103**

**Telephone: (215) 751-0500**

**Fax: (215) 751-0700**

**[Tmlaw50@verizon.net](mailto:Tmlaw50@verizon.net)**

# STEALS and DEALS >>

## Properties for Sale

564 Park Road	Fleetwood, PA	\$ 70,000	3BR/2BA single; www.cheapfixerupper.com	215-767-7197
2356 S. Howard Street	Allentown	\$ 85,000	4BR/1BA single; www.cheapfixerupper.com	215-767-7197
74 Steel Avenue	Coatesville	\$ 70,000	3BR/1.5BA twin; www.cheapfixerupper.com	215-767-7197
6817 Rodney Street	West Oak Lane	\$ 65,000	3BR/1BA ; some rehab needed; rent or flip	484-324-8680
2916 W. Clementine Street	Strawberry Mansion	\$ 15,000	3BR/1BA shell; needs complete renovation	484-324-8680
10 unit apartment building	Lansdale	\$980,000	Great cash flow; rents below market	267-221-2441
84 E. Columbus Avenue	Pittston, PA	\$ 35,000	Duplex; Two 1 BR; Rent range \$500 - \$550 each	717-587-0440
800 East 9th Street	Ocean City, NJ	\$599,000	4BR/3BA; beach block, ocean views; 2 car garage	610-733-7690
Portfolio sale	Philadelphia	\$250,000	4 Section 8 turn key properties	215-718-7141
637 Old Elm Street	Conshohocken	\$165,000	Wholesale flip; \$320K ARV; financing available	267-374-7726
2622 N. Chadwick Street	Philadelphia	\$ 25,000	3BR/1BA total gut; N. Philly; Attorney rep. seller	610-659-5926
342 Windermere	Drexel Hill	\$133,000	4BR/2.5BA; Finish rehab; \$265K ARV	610-389-0115
809 Cloverly	Jenkintown	\$175,000	REO; needs rehab; sold "as is"	484-614-1747
3050 Gaul Street	Port Richmond	\$ 80,000	3BR/1BA row; needs structural repair & full rehab	609-923-1743
50 Linden Avenue	Lansdowne	\$ 65,000	3BR/2BA needs some rehab; \$179K-199K ARV	267-875-3641
	Darby	\$ 20,000	3BR/1BA needs full rehab; 1044 SF	484-557-6659
225 E. Wildwood Ave. #405	Wildwood, NJ	\$120,000obo	1BR/1BA turnkey seasonal condo; partial finan.	215-939-6364
3144 D Street	Philadelphia	\$ 38,000	3BR/1BA ready for rehab	215-429-4888
228 E. Marshall Street	Norristown	\$ 47,500	3BR/1BA , garage; 20-30K rehab; financing avail.	267-716-3001
3905 Dennison	Drexel Hill	\$ 79,000	1BR/1BA duplex; \$1275/mo. rent; 9.8% cap rate	267-808-0574
2227 Hobson Street	Philadelphia	\$ 24,200obo	3BR/1BA; needs new flooring, paint, kit. & bath	267-405-2279
26XX Muhlfeld Street	Philadelphia	\$ 99,995	2 3BR homes; good cond.; \$1990./mo. total rent	610-246-7246
738 N. Hazel Street	Allentown	\$ 94,000	12 garages w/ roll up steel doors; \$95/mo rent each	215-350-3632
5149 N. 16th Street	Philadelphia	\$ 60,000	3BR/1.5BA; garage; basement w/ entrance	267-825-0978
119/121 E. Anna Street	Whitesboro, NJ	\$ 50,000	2 adjacent lots; no house; Cape May County	267-825-0978
106 Main Street	Darby	\$ 35,000	5BR/2BA; Full rehab @\$35K; ARV \$125K	610-716-1330
1305 Rainer Road	Brookhaven	\$ 60,000	3BR/2.5BA; row house with basement & garage	484-467-3533

## VACATION RENTALS

Myrtle Beach, SC	Call for rates	2BR/2BA ocean view condo on the beach; sleeps 6	267-496-5246 Lynette
Duck, NC	\$855-2900	4 BR/3BA; sleeps 10; www.elanvacations.com; The Grey Goose	252-491-8787 Dawn
Orlando, FL Timeshare	1BR/\$199; 2BR/\$299	Mystic Dunes Resort & Golf; Sunday checkin; 1/22-4/9; 5 nights	215-534-1610 Frank
Sarasota, FL	\$ 695-795/wk.	Relax on #1 beach in US; 2BR+; see it at www.goSiesta.com	215-344-1100 Jeremy
Bonita Springs, FL	Call for rates	2BR/2BA condo, beach, pool, views, WIFI	614-975-6428 Jen
Ocean City, NJ	\$1000-2000/wk.	New 4BR/2BA condo w/ elevator, www.homeaway.com #227402	215-237-1977 Keith
N. Wildwood, NJ	\$ 450-1700/wk.	www.vrbo.com/159300, 3BR/3BA beachblock, sleeps 8, pool, view	610-388-2757 Dave
Ocean City, NJ	\$995-3595/wk.	www.nicerentalhomes.com; 4BR/3BA beachblock; sleeps 10; 9th St	610-473-9981 Susan
Orlando/Kissimmee, FL	\$750-1200/wk.	3BR/2BA home close to Disney, pool & WIFI (call for others)	610-570-4125 Sandy
Margate, NJ	\$1000-5500/mo.	1BR/1BA oceanfront complex condo, sleeps 4, WIFI, pool, parking	610-570-4125 Sandy
Lake Wallenpaupak, Poconos	\$ 625/wk. - \$350/we.	3BR/1.5BA, sleeps 8, 20 min. from Tanglewood Ski Resort	267-242-2712 Olga
Ocean City, NJ	\$ 800-\$1750/wk.	3BR, 2nd fl., beach blk., weeks avail August & September	215-364-1970 Lynn
Wildwood, NJ	\$1400-1950/wk.	4BR/3BA condo w/pool, 1.5 blks. to beach (call for others)	267-254-3507 Bill
N. Wildwood, NJ	\$1800-4495/wk.	www.nicerentalhomes.com; 4BR/3BA fabulous ocean front; pool	610-473-9981 Susan
Ocean City, NJ	\$ 550-850/wk.	1BR luxury condo, 1 blk from beach & boards (call for other 2-4 BR)	215-672-7150 John
Ventnor, NJ	Call for rates	Ocean front/boardwalk/ocean, sleeps 4	732-619-6594 Raymond
Cape May, NJ	\$2300-4500/wk.	1 blk from beach, very large homes, sleeps 17	Landlord@writeme.com
Key West, FL	\$2650-4500/wk.	4BR/3BA, private compound, sleeps 8	215-266-2575 Ron
Key West, FL	\$2400-3900/wk.	3BR/2BA, private pool, sleeps 8	215-266-2575 Ron
Ocean Club, Atlantic City, NJ	\$22K/season	2BR plus den, 2.1 BA, front view of ocean, 18th floor	215-237-3147 Morris
Wildwood Crest, NJ	Call for rates	Condo w/pool, sleeps up to 6, on the beach (call for others)	215-431-4689 Walt

Steals and Deals is a fine opportunity for DIG members who have real estate to sell. DIG does not charge a commission or fee. You deal directly with the buyer. Fax listings to the DIG office at 215-933-6933. You can also email the ad to marketplace@digonline.org. Even if your property is currently listed with a real estate broker, the exposure to over 1100 serious investors each month can be a better sales opportunity.

**Ads update once per month.**





# Still Floundering Trying to Catch a Profitable Deal?

The **4-4-2 Rehab Coaching Program** will show you step-by-step how to buy, rent, sell or wholesale a profitable deal in just a few short weeks at an incredibly affordable price.

## **What Is the 4-4-2 Rehab Coaching Program?**

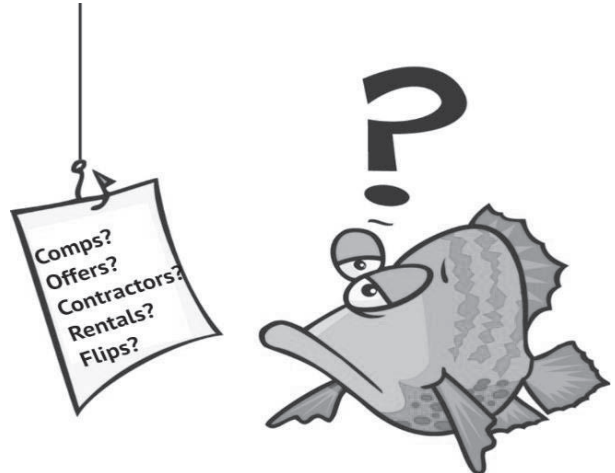
- ❖ 4 one-on-one coaching sessions
- ❖ 4 weeks to find your deal
- ❖ 2 coaches to guide you through your rehab

## **No other Coaching Program**

- ❖ Goes on-site with you to estimate repairs & close the deal.
- ❖ Works side-by-side with you throughout your rehab.
- ❖ Shares their list of local resources, vendors and forms

## **No other Coach**

- ❖ Has **15 yrs. experience** as a marketer, rehabber, designer, realtor & "Certified Business Coach"



## **Time & Money-Saving Investor Services**

### **Funding & Partnering**

- ❖ *Found a great deal but don't have the money or experience to take it on alone? Kathy will work with you as your financial partner and coach*



### **Let Kathy Design & Sell Your Next Rehab!**

- ❖ *Professionally Design the property space and layout*
- ❖ *Select finishing materials and color schemes*
- ❖ *Decorating and staging for your finished rehab*
- ❖ *Complete Realtor listing services to sell your beautiful rehab!*



## **HOLY CARP!!**

**Before you REEL in your next DEAL...  
...Contact Kathy!**

**[www.RealLifeCoachingSite.com](http://www.RealLifeCoachingSite.com)**

**Phone: 267-449-0147**

**Email: [yourphillycoach@yahoo.com](mailto:yourphillycoach@yahoo.com)**

## Dear Dr. DIG: >>



Q. My wife and I own a condo we are unable to sell. We moved in two years ago with five percent down and there has been no appreciation in our area. Our realtor talked to our mortgage company about doing a "short-sale" but the bank said they would rather do a "deed in lieu of foreclosure". Which would be best for us and do we need an attorney?

A. Let me start by explaining what the terms "short sale" and "deed in lieu of foreclosure" mean. A "short sale" means the property value is less than the balance of the mortgage and the lender is willing to reduce the balance of the mortgage to facilitate the sale. For example, if a buyer offers you \$100,000 for your condo but your mortgage balance is \$105,000, the sales expenses, including the realtors commissions, will be \$7,000. You, the seller, can't pay the \$12,000 deficit. If the bank would agree to a "short sale" of \$93,000 instead of the full \$105,000 a sale can take place. In many cases this is cheaper for the bank to do than have a property go into foreclosure because the costs would be much greater than \$12,000. On the other hand a "deed in lieu of foreclosure" allows the owners to walk into the bank, hand over their deed and the bank agrees not to foreclose on the mortgage debt. They will take back your property and sell the house themselves hoping to net more than \$93,000.

Since they seem to want to do a "deed in lieu", the bank must feel it can sell the home for more than the "short sale" costs. Because you will be walking away from the property with no equity and no blemishes on your credit, either option could be used.

If you do the "deed in lieu" though, be sure to get in writing from the bank that they will not report anything negative to your credit report and will not try to collect any loss deficiency from you. Obtaining real estate attorney's advice is always wise, but don't let the attorney kill the deal for you.

Dear Dr. DIG:

Q. My wife sold an investment property that will be going to settlement in a few weeks. I just learned I will be out of town on business the week of settlement. What can be done so the settlement can take place in my absence?

A. The simple solution is for you to sign a power of attorney form giving your wife the authority to sign the necessary closing papers. The person who will be handling the closing should prepare the power of attorney so that it meets the necessary legal requirements. When you sign the form be sure to do so in front of a notary public, so your signature can be notarize.

Dear Dr. DIG:

Q. The condo we bought in a resort area is now selling for less than we owe on it. I decided to call the mortgage company because we are now in bad shape, borrowing money to pay our bills. The mortgage company informed me that it's possible to do what they call a "short sell" or "short payoff" where you sell the property at the market rate and the mortgage company picks up the real estate fees and the difference if you can't pay off the whole mortgage. They say they would rather do this and lose a small amount of money than have a foreclosure,

This is providing we have exhausted all our funds and have no assets. I've sent them our financial analysis

proving that. My question is how badly will this affect our credit rating? I have never been late with a payment and we have excellent credit. They say it would have to be explained but should not prevent our getting a mortgage in future years,

A. Take the deal. Your mortgage company is offering the best that can be done both for you and for them selves. A foreclosure would indeed cost them more. They'd own vacant property, incur legal costs and end up selling at a lower price than you could,

You don't have much choice. A foreclosure on your record would make it almost impossible ever to get a mortgage loan again. This arrangement, on the other hand, coupled with your otherwise excellent record, may well be acceptable to lenders in the future when you're back on your feet.

Be aware, though: You may hear from the IRS about the amount of forgiven debt. Uncle Sam figures that you aren't taxed when you receive a loan, but if you don't pay it back you've had taxable income.

Dear Dr. DIG.

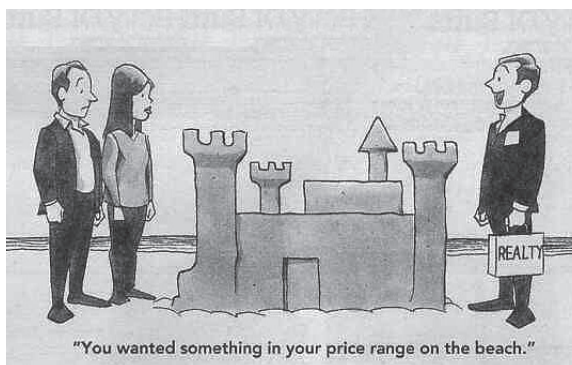
Q. About three years ago I inherited a building that was fully rented. Unfortunately the area went downhill and the tenant's moved out at the end of their lease. I have not been able to re-rent or sell the property since then. Can I continue to depreciate the building on my tax return even though the property is showing zero income?

A. Yes. As long as you hold the building for investment or for use in a trade or business you may depreciate it on your income tax return.



## Time Out For LAUGHS CORNER

*Real Estate investing can be stressful at times, whether you're an agent, buyer or seller so enjoy these fun facts, figures and interesting anecdotes to keep it light.*





## Common Traits of Successful Entrepreneurs

*by Don Beck*

A DIG member approached me at last month's meeting and asked me if I thought this was a good time to be buying real estate. Before I had a chance to inhale, he told me he had consulted an economist, stockbroker, banker, financial planner, accountant and his attorney. All gave him negative answers and a lot of caution.

I asked him what basis they had used to give this opinion. He told me all had based it on the entire trillion-dollar U.S. economy, high unemployment, poor housing starts, the national debt, and the budget deficit. I asked if any of these "experts" had used any other objectives besides the macro-economic outlook, and, had he talked to any real estate "entrepreneurs" for their opinion? He had not on both questions and was interested in my thoughts. Here was my response.

When I started investing, I had people telling me it was not a good time to get involved in real estate for mostly the same reasons as mentioned above. Today, those same people who told me it was bad timing are still punching the clock and I'm not.

When buying real estate (then and now), I try to look at properties from a micro-economic view and not the macro-economic standpoint. Sure, I want to know the general direction of the economy and if money is going to be tight or easy, but I want to know these things as a general guide. My first concern is if the property is in a good location. If that is a yes, then the deciding factors become how much under market value can I purchase it and what is my cash flow.

My decision is narrowed down to one house, on one street, in one town. Within that one town there will be bad, mediocre and great neighborhoods. On that one street there will be fair blocks and great blocks. My decision needs to be based on the parameters the property and the sellers have dealt me.

The fact the national debt rose that week will not make this deal any better or worse. Over the years many people have made lots of money in bad times. They were in the right place at the right time AND KNEW IT. Success comes from busting your butt, but it also comes through trusting our gut. My gut says, that if you buy now, in ten years you will be happy you listened to "entrepreneurs" and not the macroeconomic experts.

Over the years I have seen a lot of people come in

and out of DIG. More than half only last a year or two and are gone. They were not ready to take their choice of learning investment real estate and take a "chance" to learn how to do it. Since they didn't take the chance there will be no change so they leave and that's OK. They were not ready yet to take a chance.

Let me share some common traits of DIG members who were willing to take the chance of learning about real estate and what I believe has helped to make them successful.

**THEY GOT STARTED** - The old proverb that a trip begins with the first step also holds true with getting started in real estate. The members who were willing to trust their instincts because of the knowledge they had gained quickly learned the second step was much easier than the first. The second property was also purchased in less than half the time it took to buy the first.

**GROWING THE BUSINESS** - They took the advice of people further along down the road in investing than themselves and set goals. They plodded on each day working toward reaching their goals. They avoided the get rich quick fast schemes and made their money the old fashion way. They earned it.

**MANTAINING THE BUSINESS** - This is achieved with personal discipline. They not only disciplined their tenants but also disciplined themselves. The military and many different sports teach individual discipline and how to be responsible for your actions. Maintaining a prosperous business requires personal discipline. It takes discipline to work long hard hours when others have quit and gone fishing.

**ARE FINANCIALLY ASTUTE** - Successful people live below their means. They find ways to save money - clip coupons, buy a used car verses a new one, don't borrow except for home and business. They know when it's wise to spend money and as a result make money by being wisely frugal. As Jimmy Napier likes to say for every dollar you spend you lose the buying power of that dollar.

I have not given any earth shattering secrets here. In fact, they are all old truth's that never seem to change. Watch how you spend your money, keep moving forward with your goals, be disciplined and work hard. Throw in some ethics, common sense, moral values and respect for your fellow man and you have the makings to be successful.





## Part-Time or Full-Time, Court Rules You Still Need To Be Licensed

June 26, 2018, Hank Lerner, Esq.

Sally Ladd worked as what she called a “short-term vacation property manager” from 2013 until 2017, helping a handful of property owners rent their vacation homes through services like Airbnb.

In 2017, however, the commonwealth of Pennsylvania called to let her that it appeared she was actually working as a “property manager,” and needed to be licensed to do that kind of work. So, she shut down her business and sued the state, claiming that RELRA’s licensing requirements were unconstitutional as they applied to the work she was doing.

You can read the full complaint if you’re interested, but the gist of her claim was that since she only provided a limited number of management services for a limited number of clients, the real estate licensing requirements (which would have required her to get a broker’s license, or get a salesperson license and hire a broker of record) were unconstitutionally excessive and burdened her ability to earn a living.

That suit was filed in the Commonwealth Court in July 2017. Just about a year later, in June of this year, the court ruled on the state’s preliminary objections and dismissed her case. PAR had been monitoring the case closely, but did not participate in any way.

There’s a whole lot of legal gobbledy-gook in the first 10 pages of the decision – feel free to read it if you like, but the key parts start around page 11, where the court comes down hard on the side of protecting the public through professional licensing. It’s so clearly written, I’ll just drop in the language right from the decision:

*“We would no sooner obviate the requirement for a professional engaging in the practice of real estate to hold a license than we would obviate the licensure requirement for an attorney, physical therapist, or any other professional, merely because they have limited clients or only practice part of the year. Were this Court to accept Petitioners’ argument, we would effectively upend the legitimacy of any requirement*

*by the Commonwealth for a professional license. State-mandated licensing requirements serve to ensure competence of professionals in given fields. Petitioners do not cite to any case, nor is this Court aware of any, in which a Pennsylvania court has determined that a license requirement becomes unreasonable or oppressive for individuals who provide professional services, like the services Petitioners admit Ladd provided, but in a limited fashion....*

*We understand that Ladd believes RELRA’s licensing requirements to be unduly burdensome given the small volume of real estate practice she conducted. We agree that, were Ladd to elect to comply with RELRA’s requirements, she would face greater burdens in proportion to her real estate practice than those faced by a typical real estate broker who, for example, exclusively sells houses and does so year-round. The Pennsylvania Constitution, however, does not require the General Assembly to establish a tiered system for every profession that it regulates in order to account for*

*(Continued on page 25)*

**BIG CENTRIC .COM** **APPLIANCE & MATTRESS**

**25% BIGGER Savings**  
On Packages vs. **THE OTHER GUYS**



**FREE**  
Delivery + Removal\*



**NO**  
Sales Tax



**FREE**  
Standard Parts\*



**FREE**  
30 Day Storage\*

**SAVE Time & Money Big at Bigcentric.com**

**(302) 304-1010**

**sales@bigcentric.com**

151 Edgemoor Rd, Wilmington DE

M-F 10:00 - 7:00

Sat 10:00 - 5:00

Sun Appt. Only

\*Contact Us For Details



An Investigative Screening Company

## FREE, MOBILE FRIENDLY TENANT SCREENING AND LEASE MANAGEMENT TOOLS

Rent Perfect Provides 4 simple yet powerful tools, backed by Private Investigators, to make screening and managing your ideal tenants easier than ever!

With Rent Perfect, screening and managing tenants couldn't be easier. When a potential renter says "I'll take it" to one of your properties, you simply collect their email address. We'll send them an online application, which they can complete immediately via any computer, tablet, or smart phone. Applicants pay the \$35 fee directly to us, and you get instant access to your applicant's report, including:

- Criminal Record
- Past Evictions
- Credit History
- Government Watchlist
- Sex Offender Registries

In addition to this immediate report, our team of live investigators will check real-time data in jurisdictions that don't show up on instant reports, so you can be sure the profile you're getting is accurate and up-to-date.

Once you have found the right renter, just forward them a copy of our state-specific lease, which they can sign electronically. Then, let Rent Perfect help you get insurance and collect rent quickly and affordably over the Internet...

1

### ELECTRONIC INVITATION

INVITE

SCREEN

LEASE

COLLECT

Get your applicant's email address and we'll handle the rest of the process. They can fill out an online form in minutes!

2

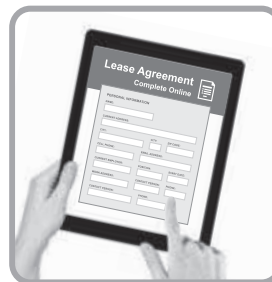
### BACKGROUND SCREENING



Make informed decisions when approving tenants with our mobile-friendly screening tools. Know who you're really renting to before they move in.

3

### LEASE AGREEMENT



Use our automated system to generate state-specific lease agreements online. With seamless tenant communications and automatic notifications, it doesn't get any easier!

4

### COLLECT PAYMENT



Give your tenants the convenience of online payment options. Collect security deposits, issue refunds, and schedule rent reminder/auto-pay agreements online.



GO DIRECTLY TO THE REIA  
REGISTRATION PAGE BY  
SCANNING THIS QR CODE:

If you do not have a QR Code Scanner on your phone,  
text the word REIA to 31-31-31 or contact your  
local REIA for the link.



1-877-922-2547 • [www.RENTPERFECT.com](http://www.RENTPERFECT.com)

# Staying Up to Date >>

## Home Depot Rewards



**Want to save time and money  
on paint and materials?**

### PAINT

DIG has negotiated a deal with Home Depot that will give you 20% off an array of high quality paints.

All Behr, Glidden and Kilz paint, primer, stain and

Water proofer purchases are eligible.

You need to use your registered pro xtra phone number

at the time that your purchase is made

(once registered with Home Depot)

to get the 20% discount. Its a volume

discount, which all members will contribute towards.

### HAMPTON BAY CABINET "D.I.G." EXCLUSIVE

Purchase and Delivery Options

Full and Half Truck loads deliver direct to job site

Competitive Quote Process

Factory Representatives available to answer questions

Hampton Bay Designer Series Cabinet Line

Broad Selection of Frameless Cabinets supports

step-up kitchen designs

Design Connect at The Home Depot

Ability to create 2020 designs for PRO customers

### REBATE

Automatic 2% rebate on all Home Depot purchases

Once all purchasing platforms are registered in your

Home Depot Pro Xtra Account

In addition to this, you receive partnership

from all home depot vendors and the

DIG Pro Account Home Depot Representative

CUMULATIVE SPEND	FUEL REWARDS SAVINGS EARNED**
\$100	10¢/GAL
\$500	50¢/GAL
\$1,000	\$1.00/GAL
\$2,000	\$2.00/GAL
\$3,000	\$3.00/GAL
\$4,000	\$4.00/GAL

Still Have Questions About Your Account?

Contact Tiffany Moore, Account Representative

Phone-443-519-8358

Email- [TIFFANY\\_M\\_MOORE@homedepot.com](mailto:TIFFANY_M_MOORE@homedepot.com)

Contact your local Home Depot about HD products

## Online Marketplace

DIG has a "Marketplace forum hosted on it's new Forum [www.diganswerline.org](http://www.diganswerline.org) for exchanging information about deals, selling leftover rehab materials, finding tenants, promoting properites, publicizing your rehabs for sale, ect.

The Marketplace allows participants to send/recieve non-commercial marketing-related messages to those who are intersted. The DIG Marketplace is realtime, and the updates are manages by the individual seller. This allows very quick responses to the opportunities that are posted.

Sign up by going to: [www.diganswerline.org](http://www.diganswerline.org)

Once you are registered, submit your properties, ect., on the Marketplace forum. You can also post by emailing your ad to [Marketplace@diganswerline.org](mailto:Marketplace@diganswerline.org)

We hope to see you there!

## Member Resources

Missed a meeting and want to find out what the Speaker talked about? Looked at your notes, and you just know you missed an important point?

DIG has the solution.



**Every DIG meeting is recorded.**



**Meeting recordings are available for download on the DIG website at the DIG Store in the Member Links tab.**

## GUEST POLICY

Anyone who has never attended a general membership meeting is cordially invited to come to their first meeting as a guest of DIG. After this guest meeting, we invite you to join for a Full Year Member (12 months). Any return visits to a meeting by a Non-Member require a \$25.00 guest fee to be paid.



**Call Me!**

**Specializing in  
most areas of  
Bucks and  
Montgomery  
Counties**

# HomeStarr<sup>★</sup> Realty

**Stephanie Pappas**

850 Easton Road

Warrington, PA 18976

215-355-5565— office

215-272-4577— cell (preferred)



Put my years of Real Estate experience to work for you! I have been a realtor since 1992 and have been through all kinds of market cycles.

**REHAB CONSULTING— Walkthrough and advice on  
your rehab Purchase!!! Call for pricing!  
Ask me about My DIG DISCOUNT  
on all listings for DIG members**

---

## Newsletter Advertising

Do you have a product or service you would like to advertise to the DIG members? Why not advertise in our newsletter!

	<u>Members</u>	<u>Non-Members</u>
<b>Business Card (3 ½"W x 2"H)</b>		
6 months	\$ 90.00	\$ 180.00
12 months	\$ 165.00	\$ 240.00
<b>¼ Page (4"W x 4"H)</b>		
6 months	\$ 180.00	\$ 270.00
12 months	\$ 325.00	\$ 440.00
<b>½ Page (8"W x 4"H)</b>		
6 months	\$ 360.00	\$ 450.00
12 months	\$ 640.00	\$ 790.00
<b>Inside Full Page (6"W x 8"H)</b>		
6 months	\$ 750.00	\$ 840.00
12 months	\$1,300.00	\$1,540.00
<b>Inside Front/Back Cover (8.5"W x 11"H)</b>		
6 months	\$ 950.00	\$1,050.00
12 months	\$1,700.00	\$2,000.00
<b>Outside Back Cover (8.5"W x 11"H)</b>		
6 months	\$1,100.00	\$1,200.00
12 months	\$2,000.00	\$2,300.00
<b>Flyer Insert (8 ½"W x 11"H)</b>	\$300.00 per issue, 3 month minimum. Insert must be supplied by Advertiser.	

*What better way to reach hundreds of active real estate investors each month!*

## Legislative News >>

### Part-Time or Full-Time, Court Rules You Still Need To Be Licensed cont.

*different volumes of work performed. Ladd likely shares her frustration with any other person who aspires to work minimally in a given field but feels the prerequisites for that field are too onerous. Despite the reasonableness of her frustration, we are still compelled to uphold the will of the General Assembly in policing professionals, so long as the regulatory scheme satisfies the Gambone rational basis test. Here, it does."*

Translated: If you're going to work in a profession, you need to follow ALL the rules of that profession whether you do it full-time or part-time. Despite Ladd's contention that her limited work should

require limited qualifications, the court ruled that there was no basis to limit or eliminate those requirements, just because an individual chose to not do everything a license would allow.

Note that the case was dismissed on preliminary objections at its earliest stages (the Commonwealth Court is functioning as a trial court since the state is the defendant), so there's potentially a long road ahead if the plaintiff decides to appeal. But in the meantime, it is clear that the Pennsylvania courts understand the importance of professional licensure and how it protects the public.

## Hackers >>

### Feds Arrest Dozens in Sweeping Action Against Hackers Targeting Wire Transfers Including Those Targeting Real Estate Transactions

June 11, 2018, Ben Lane

The "Nigerian prince" who emailed you and offered millions of dollars in exchange for helping them get money out of the country may have just been arrested on wire fraud charges.

The federal government announced Monday that it conducted a massive sweep and arrested nearly 75 people who allegedly participated in schemes designed to intercept and hijack wire transfers from businesses and individuals, including those involving real estate transactions.

The arrests are part of six-month coordinated law enforcement effort conducted by the **Department of Justice, Department of Homeland Security, Department**

**of the Treasury, the Postal Inspection Service,** and several other agencies.

The operation was funded and overseen by the **Federal Bureau of Investigation** and also involved district U.S. attorneys, local district attorneys, foreign governments, and other agencies.

Over the last two weeks, the agencies arrested 74 people total: 42 in the United States, 29 in Nigeria, and three in Canada, Mauritius and Poland.

According to the agencies, the operation, which was called "Operation Wire Wire," also resulted in the seizure of nearly \$2.4 million, and the disruption and recovery of

*(Continued on next page)*



**APPLIANCE  
& MATTRESS**

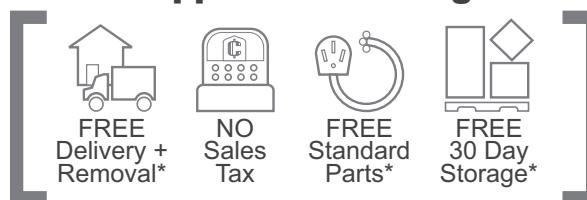
Robert Drendall  
Thaddeus Reed  
Jae Rhee  
Stephen Rhee

151 Edgemoor Road  
Wilmington, DE 19809  
T. 302.304.1010  
F. 302.288.9244

sales@bigcentric.com

Mon-Fri: 10-7, Sat: 10-5, Sun: Appt. Only

#### 25% BIGGER Savings on Appliance Packages



\* Contact us for details

## Feds Arrest Dozens in Sweeping Action Against Hackers Targeting Wire Transfers cont.

approximately \$14 million in fraudulent wire transfers.

The joint agency action targeted “Business Email Compromise” schemes, wherein hackers attempt to gain access to the email accounts of employees who have access to company finances, businesses working with foreign suppliers, or businesses that regularly perform wire transfer payments.

The schemes also target individual victims, including real estate buyers, by impersonating someone involved in a real estate transaction and convincing them to make wire transfers to bank accounts controlled by the hackers.

In recent years, there has been an increase in hackers targeting real estate transactions and stealing funds from both unsuspecting buyers and companies alike.

Two years ago, the **Federal Trade Commission** and the **National Association of Realtors** issued a warning to people interested in buying a home about scammers who were posing as real estate agents, Realtors and title insurance companies to steal consumers’ closing costs.

Last year, the **American Land Title Association** said that the previous warning from the FTC and NAR didn’t do enough to protect consumers and the group wanted the **Consumer Financial Protection Bureau** to issue a warning of its own.

Then, the FTC and NAR issued another warning, but that didn’t stop the scammers from stealing from unwitting buyers.

But now, the government believes that it has busted up several of the organizations behind these actions, many of which allegedly involve criminal outfits that originated in Nigeria and later spread throughout the world.

“Fraudsters can rob people of their life’s savings in a matter of minutes. These are malicious and morally repugnant crimes. The Department of Justice has taken aggressive action against fraudsters in recent months, conducting the largest sweep of fraud against American seniors in history back in February. Now, in this operation alone, we have arrested 42 people in the United States and 29 others have been arrested in Nigeria for alleged financial fraud,” Attorney General Jeff Sessions said.

“And so I want to thank the FBI, nearly a dozen U.S. Attorneys’ Offices, the Secret Service, Postal Inspection Services, Homeland Security Investigations, the Treasury Department, our partners in Nigeria, Poland, Canada, Mauritius, Indonesia, and Malaysia, and our state and local law enforcement partners for all of their hard work,” Sessions continued. “We will continue to go on offense against fraudsters so that the American people can have safety and peace of mind.”

According to the agencies, the effort, which began in January 2018, targeted hundreds of business email scammers.

Among those arrested as part of the sweep are the following (details provided by the DOJ):

- Following an investigation by the FBI and the U.S. Secret Service, 23 individuals were charged in the Southern District of Florida with laundering at least \$10 million from proceeds of BEC scams, including eight people charged in an indictment unsealed last week in Miami.

These eight defendants are alleged to have conspired to launder proceeds from numerous BEC scams, totaling at least approximately \$5 million, including approximately \$1.4 million from a victim corporation in Seattle, as well as various title companies and a law firm.

- Following an investigation led by the FBI with the assistance of the IRS Criminal Investigation, Gloria Okolie and Paul Aisosa, both Nigerian nationals residing in Dallas, Texas, were charged in an indictment filed on June 6 in the Southern District of Georgia. According to the indictment, they are alleged to have victimized a real estate closing attorney by sending the lawyer a spoofing email posing as the seller and requesting that proceeds of a real estate sale in the amount of \$246,000 be wired to Okolie’s account. They are charged with laundering approximately \$665,000 in illicit funds. The attorney experienced \$130,000 in losses after the bank was notified of the fraud and froze \$116,000.
- In another case being prosecuted in the District of Massachusetts, a 25-year-old Fort Lauderdale, Florida man was indicted in federal court in Boston on June 6 on one count of money laundering conspiracy. According to the indictment, the individual was part of a conspiracy that engaged in wire fraud. It is alleged that in early 2018, the defendant’s co-conspirators gained access to email accounts belonging to a Massachusetts real estate attorney and sent emails to recipients in Massachusetts that “spoofed” the real estate attorney’s account in an attempt to cause the email recipient to transfer nearly \$500,000, which was intended to be used for payment in connection with a real estate transaction, to a shell account belonging to a money mule recruited and controlled by the defendant.
- In another case being overseen by the Western District of Pennsylvania, Taiwo Musiliudeen Idris was arrested by law enforcement authorities in Nigeria and charged with one count of conspiracy to commit money laundering. According to the criminal complaint affidavit, Taiwo Musiliudeen Idris conspired with Ismail Shitu, Nathanael Nyamekye, Adnan Ibrahim, and Akintayo Bolorunduro to launder over \$411,000 in real estate settlement proceeds that were fraudulently obtained from a BEC. The BEC targeted the sellers of residential property in Maryland, along with their real estate company, and the settlement company.

Additionally, law enforcement agents executed more than 51 domestic actions, which included search warrants, money mule warning letters, and asset seizure warrants totaling nearly \$1 million.

The agencies define “money mules” as people who were employed by the fraudsters to launder their ill-gotten gains by moving the funds into other accounts that are difficult to trace. According to the agencies, 15 alleged “money mules” were charged for their roles in the schemes.

“This operation demonstrates the FBI’s commitment to disrupt and dismantle criminal enterprises that target American citizens and their businesses,” FBI Director Christopher Wray said. “We will continue to work together with our law enforcement partners around the world to end these fraud schemes and protect the hard-earned assets of our citizens. The public we serve deserves nothing less.”





# CamaPlan

Personalized Self Directed IRA Planning

## Invest Confidently in Your IRA

Learn the secrets to unlocking your IRA.

- Control your future
- Invest in non-traditional assets using your IRA
- Invest in real estate, precious metals, and private placements in your IRA



## Open a Self-Directed IRA/401K with CamaPlan

**Let us teach how.**  
**Register Today at the Cama Academy**

- [www.CamaPlan.com/cama-academy](http://www.CamaPlan.com/cama-academy)

Call us | (866) 559-4430  
Email us | [events@camaplan.com](mailto:events@camaplan.com)

CamaPlan  
512 E. Township Line Road  
5 Valley Square, Suite 200  
Blue Bell, PA 19422

# THOSE PROPERTY INSURANCE BILLS THAT KEEP COMING MONTH AFTER MONTH?

## TOSS THEM.

**We'll consolidate all your properties  
on one policy with one simple bill.**

**And perhaps save you a nice chunk of cash too.**

We can do it no matter how many properties you have or when your policies end. You won't get that with other insurers.

If you're with Allstate, Erie, Nationwide, Foremost or most other carriers, we can give you the same or better coverage for less. Even if your current carrier charges a premium for early cancellation.

We'll do all the paperwork and see the transfer through, too. It's hassle-free, whether your properties are single units, multi-units, mixed use or apartment buildings. Naturally, all of our carriers are rated "Excellent" by AM Best. And no one knows the area better.

Give us a call — Phila: 215.829.1776 | W. Pa.: 412.823.1776.  
Month after month, you'll be glad you did.



**LIBERTY INSURANCE BROKERS** *A Division of Brown & Brown Insurance*

125 E. Elm Street, Suite 210 | Conshohocken, PA 19428

F 215.509.BELL (2355) | [TrustLibertyInsurance.com](http://TrustLibertyInsurance.com)

**Insuring Pennsylvania's tenant-occupied housing since 1982.**

