

The Maverick Show Episode 41
HOST: Matt Bowles GUEST: Scott Carson

Matt Bowles: Hey everybody, it's Matt Bowles. Welcome to the Maverick Show. My guest today is Scott Carson, a.k.a. "The Note Guy." He has been an active real estate investor since 2002, and has been solely focused on the distressed mortgage and note industry since 2008. For over a decade now, Scott has specialized in buying and selling non-performing mortgages directly from banks and hedge funds on properties all across the United States. Scott has purchased over half a billion dollars in distressed debt for his own portfolio across 30 states.

Scott is also the founder and CEO of www.WeCloseNotes.com, an Austin, Texas-based real estate firm that has helped thousands of other real estate investors make money buying and selling notes. Scott is the host of the popular podcast, The Note Closer's Show. (www.weclosenotes.com/note-closers-show-podcast/) He is a highly sought after speaker on distressed debt marketing and raising private capital, and he has been featured in *Investor's Business Daily*, *The Wall Street Journal*, and www.Inc.com. Now Scott has built his businesses with a location-independent infrastructure so he can run them remotely as he designs his lifestyle around attending sporting events, concerts, and traveling the world. Scott, welcome to the show.

Scott Carson: Man, I am honored to be here, Matt. Thank you for having me, man.

Matt: You know, we've been trying to put this interview together, I wanna say, for about six months. It started when you reached out to me and said that you were a listener and fan of the Maverick Show, and you and I started talking and corresponding and all that. And I looked into what you did, you're in the real estate space, you travel, all this kind of stuff. I was like, man, this guy sounds on paper like a perfect guest. And then, I was looking into what you were up to, and the events you were going to, and you were going to an event with a very good friend of mine, Ally Boone. I knew she was going to the event.

So, I just sent her a private message. I was like, Ally, check out this guy Scott Carson at the event. See if you can find him. He sounds impressive on paper, but check him out, make sure he's a cool dude. See if you think he would be a good podcast guest. So she's like, all right. I'll look for him. So, the first day that she's

there, she messages me, she goes dude, get this guy on the show, he's fricking awesome. I was like, done. So, I reach back out to you, and we were gonna schedule the interview. And so I was like, man, I love to try to do these interviews in person if possible. I saw that you were based in Austin, and I was like man, I'm coming out to speak at the South By Southwest (www.sxsw.com) conference. And you were like dude, I'm organizing the podcasters' meet-up at the South By conference. I was like, this is perfect. So, we were planning to do this over a bottle of wine in person a few months ago. That didn't work out for our scheduling conflicts. So today, we're finally putting it together. We're not in the same place. I am actually in West Africa recording this from Accra in Ghana, and you are where today? Are you in Austin?

Scott: I am back home in Austin, Texas, yes sir.

Matt: Awesome, man. Well, Scott, it's so good to have you on the show, and I'm glad we finally put this together. So, you also are in a really interesting space. You have a really interesting entrepreneurial journey, and I wanna just maybe start in the beginning, and just get your origin story about where you're from, where you grew up, and then how you got into the note space.

Scott: Yeah, it's an interesting story. Like many people, I went to school. Played football in college for a couple of years, got out, graduated with marketing management, and had an entrepreneurship focus, because my parents were both entrepreneurs. They own the local hardware store in this little small town down in south Texas, of like 3500 people. So, I got out of that town as fast as I could. Moved to Austin after graduating here, started in the finance industry, got into banking. Enjoyed that, but was starting to hit, you know, the glass ceiling that a lot of people do, where you have to get permission to do everything.

And I'm not – I'll ask for forgiveness versus permission kind of guy sometimes, and that didn't go well on the banking side. A buddy of mine who I had worked with before as a financial adviser, he started a mortgage company here, locally, and hooked up with a couple of real estate investors that were traveling the country, speaking in all these different workshops and seminars. I realized that's the route that I wanted to go. So, July 4th of 2004 I put my notice in at Chase Bank, was where I was working, and have been in the real estate space non-stop since then. I dabbled in

real estate before that but lost my shirt by doing stupid things.

We started a mortgage company, traveled the country teaching all these investors about creative financing, and originating a lot of mortgages. And then everything came to a halt in 2008 when the housing market crashed. The man that was behind us, one of my other private investors, had made a lot of money in the savings and loan crisis back in the '80s, the RTC days. And they were like Scott, this is the best time to jump into this note game. It's the best time to be buying distressed debt because we've never seen a meltdown like this. So, that's what I did. I jumped from the mortgage side into buying distressed debt.

Instead of going to the banks and originating loans for them, I was calling them to buy loans that people were defaulted on, or upside down on, and then picking up this debt at a fraction, pennies on the dollar, and then becoming the bank, and then trying to work out some sort of solution with the homeowners, trying to keep them in their house. We buy debt, we become the bank, but instead of us looking to rehab the property, we work to rehab the borrower. We wanna try to keep them in their house if possible. Since we're buying the debt at such a substantial discount, off of what they owe and the value of the property, it gives me a lot of flexibility to create the win-win scenarios.

Not only for us, in good returns and high RIs, but also allowing the borrower to stay in their house if they want to. Now if they wanna walk away, great. We'll let them walk away. But if they really want to stay in their house, we work with them to get them back on the right track to homeownership.

Matt: So, can you give an example, in the simplest form, of how that would work transactionally speaking? Who do you approach, what kind – at the bank, for example, let's say? What kind of conversation do you have? What is the bank's incentive to sell to you? What is your profit margin structure look like in terms of the risk that you take on versus the upside potential there for you, and so forth? Just walk us through a transaction.

Scott: A lot of real estate investors are used to postcards and yellow letters, and door knocking. We don't do that stuff. We don't do that. We're buying all across the country. So, our goal is to get into the banks. And so, there're specific departments inside these

different banks and hedge funds called the secondary marketing department, or the special assets department. These are the guys and gals at the bank that have a couple marbles in their head, and they're looking at the bank's portfolio, and they're trying to get rid of the bad debt off their books because it dramatically affects the bank's ability to leverage their deposits if they've got bad loans. If they've got a \$100,000.00 loan that's in default, it's costing them closer to a million dollars in fees, if they're charging interest and other things that they can leverage against. So, we reach out to these asset managers inside the banks and just say hey, what do you have on your books? What are you looking to get rid of? And if you talk the walk, you pass a smell test, act like you know what you're doing. I mean, I started just dialing 50-100 banks a day until I built a good database. And these asset managers will send over a spread sheet to us, and it may have one note, it may have 1000 defaulted loans. Depends on when they're lending at, and what kind of states their lending at.

So, we'll see spreadsheets, of course, we like to call them takes, with assets in 30, 40, 50 different states. We can, often, cherry-pick. Now, what we're looking for as investors, I like to look for stuff that has hair on it. Somebody's been behind, not in just 90 days but like nine months, 12 months, three years. And the bank, depending on what state it's in, foreclosure time frames will vary. Now here in Texas, we can foreclose quickly, in like 90 days. Florida may take a year. Illinois may take 18 months. So, the bank is incentivized to move this debt off their books at a discount, because they can get that money in now, go out and re-leverage it three, four, five times. It's called velocity capital.

It works well for me, because – I'll give you some basic numbers on a deal. Let's say we get a list in there as an asset, say here in – let's say it's in Tampa, Florida. It's worth \$100,000.00. The borrower might owe \$120 grand on it. Either they're upside down, or they got laid off from work. So, there are back payments. So, they're upside down. They haven't paid, say, in a year. We'll come and often buy that note, buy that mortgage at \$.50 on the dollar or less. All right? So, at \$.50 of as-is value, if it's worth \$100.00, we'll pay \$50 grand for that note. So, that's well below 50% of what they're owed.

And we like to target occupied assets, where the homeowners are still in it because they're keeping the property up. The air

conditioner hasn't walked off on a walkabout. The copper goblins haven't shown up. Somebody's taking care of their property, for the most part. So we'll buy that note, become the bank, and then reach out to the homeowner and say okay, what happened? Give me your country western song. Whatever your excuse is, whatever it might be, and let's work to keep you in the house. And so, if we're behind at \$50 grand, they still owe \$120 grand, we've got a lot of flexibility there to either A, forgive the debt, drop the interest rate down if it's a higher interest rate, do a trial payment plan. We'll often forgive principle payments, things like that. So, if I can get that borrower to start paying their existing payment on time again, and they pay for 12 months on time, I'll forgive the back payments. Because after 12 months, it's now considered a reperforming note. And if I bought it at \$.50, I can turn around and sell it on the market at \$.80-\$.85 on the dollar and make a 30-35% return just on that spread. And that doesn't include the 12 months payments I got along the way as well.

Matt: Now, what is the bank's incentive to sell that note in that example to you for \$50,000.00 as opposed to foreclosing on the house and trying to resell it for the market value of \$100,000.00?

Scott: Banks are in the business of making loans, they're not in the business of owning property. If they've gotta take the property back, they've got foreclosure costs, they've got legal tied up, it costs them two to three times the amount of what it would cost me to repair a property, because they've gotta go – specifically, the vendors. They're in the loan-making business. So, if they can get that 50 grand in now, versus having to wait 18 months to take the property back, fix it up, and then sell it, they can lend that \$50 grand out five, six, or seven times and make their money back.

Matt: Got it. Okay. And then for you as the note investor, what is your downside risk in this process? How do you assess that, and then how do you mitigate that?

Scott: So, since we're buying all across the country, we've gotta be very good on our due diligence. So we're double-checking property values. We don't often get inside the property, so we've gotta do a lot of due diligence on the borrower. Call the utility, are the utilities on? Talk to realtors to do drive bys, take photos, may even door knock with the borrower, checking the taxes. Occasionally we'll get people that will go in and trash a house. Oh,

screw you guys, we're gonna trash it. And that's fine, that's why we have insurance on the property. So if they do that, we get paid. Being the bank and buying a first lien, that's all we buy is first liens, senior liens.

We have all the same rights as the bank does. So, that's a beautiful thing is that we've got a lot of flexibility. So a lot of times, we'll approach the borrowers, maybe they don't wanna modify, but we'll give them cash to walk. We'll incentivize them to not trash the property. Hey, here's three grand, here's five grand, here's \$10 grand, you walk and just sign the property over to us and go away. Now, some things have happened. Especially when you have realtors that don't do drive bys, they took photos. So, you'll see maybe a property's not exactly right value wise. And some people have bought assets where they didn't check the taxes, and it may have got a tax foreclosure. It's one of the big three things we always look at. But it all comes down to our due diligence, and we're very strict. We've got all – like a 17-page due diligence checklist that we do. We've got a network of investors and realtors across the country. So, we're always putting eyes on the property.

Now, I can't jump in a plane and fly across the country if I'm gonna buy 30 assets and look at all 30 assets in 30 different cities. So that's why we've developed these relationships, and be able to do it from wherever I'm at, whether it's here in Austin and I'm buying stuff in Indiana, or I'm in Spain and working on a loan log with a borrower in Illinois. So, been very good about establishing teams. And a lot of people – I always tell our students and investors, listen, don't look to buy in 30 states to start with. Start with one market, or two states at the max and focus on the bigger cities in those markets. Occasionally we'll get a borrower that drags the foreclosure out.

They say they wanna do a low mod, well, we allow them to do a low mod and they don't follow through on that. So that drags it another 90 days. We start the foreclosure process, maybe they file bankruptcy, which in our case is a good thing. Or they just drag it. I've been sued by borrowers in federal courts, which have been kicked out. I mean, we try to do the best we can to empathize with the borrowers. Everybody's been there. What's the situation? Let's try to create a win-win, but unfortunately, not every borrower's willing to come to the table and meet you halfway.

Matt: Right. So, once you develop these systems and these processes and you became a master and an expert in this particular space, talk to me a little bit about the entrepreneurial path. How did you build this into a business? How did you build the educational part of it for the students? And what was that path like for you from there?

Scott: Kind-of a funny thing. So, I started doing this, started buying notes, when a lot of people would say would be the worst time to be a real estate investor. Because the market was tanking, a lot of people were losing their shirt on stuff, a lot of people were going through short sales and foreclosures just because of the dramatic things going on in the market. I was – the same thing. I had some fix and flip homes that I had to write big checks on to walk away from, but what I started doing is, I was getting these lists in from banks, and assets. I started doing my own due diligence on them. You know, pulling photos, checking the rent rates. And I just started sharing it online, www.Facebook.com, www.Linkedin.com. This is back 10 years ago. So, not everything was – www.Instagram.com wasn't around, www.Twitter.com, I don't think, was even around yet, www.YouTube.com was barely around for the most part.

I just started sharing things that I was doing, and then I would reach out to my database of investors that I met while traveling the country, and just send an email. Hey, here's a deal that I'm working on this week. Is anybody interested? Here's a deal that I'm working on this week. And I had a friend of mine who was speaking at a real estate conference at the time with a couple of other guys out of Tampa. They were doing stuff on of short sales, and note buying. They were trying to get into that, and they heard about me, so they asked me to come out and speak, and flew me out there, put me up.

I spoke for an hour, hour and a half on the deals we were doing, and I just got bombarded. People were like, can you teach me? And I was like, uh...sure. Do you have a class? I'm like, uh...sure I do. Just really pulled it out of my ass that I had a class. Sometimes that's the mother of all innovation, having to create something that people are interested in. So, that's what I did. I offered a class, and we had – I think I had 18 people sign up for that class, I was charging like \$250 bucks. They came out, they all bought assets, and we just kinda went from that point on. My big goal is always to buy assets first. You've gotta be in the trenches to know this business, and you can't just talk the talk.

You have to walk it, and that's what we've always done, is focus on buying assets. I buy a couple of hundred assets every year for our portfolio. We trade a lot. I'm a big believer, Matt, that if you give somebody the tools and the knowledge, if they're really hungry, they'll go out and do it. And so that's kinda my approach to my speaking and my education side, is just to give people good knowledge, good information. That's why we've got about 1000 different videos on www.YouTube.com and www.Vimeo.com that go through different things. We do a lot of online coaching calls. Because Austin – here in Austin, Austin's a great market. I love Austin. Great city, you've been here before.

South By Southwest (www.sxsw.com), ACL, just a great environment. But it's a very hot housing market for the last 10 years, so I don't see a lot of debt here locally. I bought some, but I just don't see the same discounts that I would be buying in Ohio and Michigan. So, that was one of the things that helped me grow, was by having a larger idea of my audience base being the United States, not just Austin, Texas. And so that helped, because I have a bigger audience, and we just started sharing. We used the www.Facebook.com, www.Linkedin.com, emails out regularly, videos every week. And those were our – my four big staples, or I guess you could say, legs to my marketing table to help me grow my entrepreneurship and my speaking, and become an expert in my field.

Matt: Yeah. I like what you said, Scott, about identifying demand before you build the product or the service, basically, right? You had people that were asking you, and saying we're willing to pay for this, can you create this for us? If you can, we'll buy it. And so, then you built something to cater to the demand that you saw that was preexisting. I think that's always the smartest way to do it, is identify what the market wants to buy, and then create it and sell it to them. Then you already know you have your built-in buyer base there. So I think that's a smart way to do it.

And then from there, can you talk about how you built and scaled the business up in terms of the different pieces that came together? Hiring team members, and scaling up, and developing your marketing campaigns, and that sort of thing.

Scott: So, here's a funny story. So, in 2010, I'd been teaching for a little

while, about a year. Had some classes, and I had a business partner at the time, we went our separate ways. I'd gotten divorced because of everything going on in 2008 and 2009. So I'm sitting here in Austin watching TV one night, and I remember those Visa credit card commercials? You know, hot dog, five dollars, beer eight dollars, traveling the country to see all the major league baseball parks, priceless? And I'm a huge baseball fan. This was like the first part of March of that year. And I said well, what would it be like if I just jumped in my truck and I drove around the country to see all the major league baseball teams?

That would be fun. What would it look like? And so I sit there, I get up, I jump on www.ESPN.com, I start looking at baseball schedules. I draw this map across the country. It would take me about 30 weeks of traveling to hit all the major league baseball parks. I planned it all out. I wrote it all down. This day I'd be in New York, and I could catch the Mets one day, catch the Yankees the next. And I just put that out there, hey, I'd love to do this. And it's weird how things happen. Within the next two weeks, I had five real estate investment clubs reach out to me because of the videos they saw and saw some of the logs that I was posting. They asked me if I would come to speak to their real estate club in their cities across the country. And I go yeah, when would you want me to do it? They gave me the dates, and I pull out this mythical baseball trip, and it matched up perfectly. Like, oh, Houston wanted me to come the second weekend of April, which would be perfect when the Astros are playing.

Somebody in Tampa wanted me to come there when the Rays are at home for a homestand. Somebody wanted me to come to Baltimore when the Orioles are at home. So, it was just – you can't see it, but the hair's standing up on my neck every time I tell this story. Divine intervention. So that's what I did. I said okay, let's do it. So, I sold everything in Austin. I sold my house, I sold everything in the house, fixtures, I had enough stuff to go in one self-storage unit, and I and my dog jumped in my truck and we headed out.

And what we thought would be 30 weeks of traveling around the country, speaking and talking to people and seeing baseball games turned into three and a half plus years of travel, basically non-stop. And that built, it was like a grassroots campaign, I would say. As I'm out speaking at real estate clubs, I'm meeting local investors.

I'm teaching people in their classes and building, really, my local due diligence network. So, if I had a deal in Flint, Michigan I had somebody I could call and they could drive by and either A, help me out with a deal on it. Either take it down for me, I could wholesale it or sell it to them, or they would help me. If I bought the note, they would help me with the work outs.

So, it was a unique thing. With these three years of travel, I made so many relationships. I built a huge database of vendors and people, and just a great time all the way along. I came back about 50 pounds heavier from drinking Crown Royal and eating a lot of hot dogs, but well worth it. That's the thing, people don't realize, we get so geographic targeted. Like, I can only buy stuff in my backyard. And I'm like, no. It's the 21st century. You've got www.Google.com, we've got www.MeetUp.com. You can jump on www.Trulia.com. And there are so many of these great resources now, that you can be location independent and still do real estate, or still do what you're doing from anywhere in the country, or the world. Because we travel, I'm not married but have got my significant other. She and I travel quite a bit. And we take a big European vacation every summer. Go over for three weeks, or four weeks, and I'll be negotiating with my team or my vendors on a deal via text message, or via Facebook Messenger. If I need to, I can jump on the phone and talk to them for a minute. Or I can jump on, you know, this with www.Zoom.com and do a webinar with them fast to talk while I'm traveling. So, it's just a beautiful thing these days, versus how it was over a decade ago.

Matt:

Yeah. I love what you're saying about in the real estate investing game, like being in the note game, being able to be geographically agnostic, and being able to identify the best deals whether or not they're near your geographic location, I think, is significant. So, we at www.maverickinvestorgroup.com have been doing the same thing, helping our clients by performing turnkey, cash flowing rental properties to own and hold in the best US real estate markets, regardless of where they live. And the reality is, that those best markets change over time, right? So, 10 years ago, the best, most advantageous markets to buy in are very different than they are today.

And so, smart real estate investors can identify the best markets, and to buy in those markets whether or not they live near them. So, I agree with that philosophy 100%. And I love that you talked

about how you ground, in person, on the ground, for three years, building those relationships. Building those networks. Meeting those people. I mean, we do the same thing. With all the different markets and companies that source turnkey rental properties through us, through our buyers, we've been to all those markets and know all those people and have walked all their properties and seen their operation, all that kind of stuff.

And I think those on the ground relationships are important to establish. But what I really, really, like about your journey, Scott, is that you then made a decision that you did not wanna be geographically restricted yourself. You wanted to build a location independent infrastructure that you could run your company, that allows you to go to Europe for a month, or go travel the world or go do these different things. Can you talk a little bit about that, particularly? Your choice and your vision for that, and then how you executed that.

Scott:

So, I just simply – I'm not the smartest guy in the room, I'll tell you that right now. But I will outwork anybody. I'm not afraid to ask questions. So, I just started reaching out to people in different markets. I talked to people who are buying in different areas. I talked to other investors that were doing stuff in multiple states, turnkey providers like yourself. I would say hey, what are you doing? And as I was traveling, I made friends with those people. Took them to dinner, took them to a game, or something like that, and just really broke bread with them, and was glad to, you know, hey, how can I help you? If you're doing it in other cities, maybe you need to talk to this person. Or even, I would refer business to them.

Have an investor come to me, and say you're not a fit for what we're doing but call Matt over here, he's got stuff in the city, or in the state that you're looking for. And so it was just really kind-of a symbiotic, back and forth referral network, a lot of it, a lot of the time, that way. But I started realizing that if you're using video – I can remember sitting in an event, I went to a conference one time and the shark tank, Kevin Harrington, was speaking, talking about video and all the things rolling down, and it's becoming even more important today. So, that's why I started doing all these coaching calls, webinars on my specific topic. A little nugget here every Monday night.

Here's another topic this Monday night. And that helped not only attract other people but put a lot of infrastructure in place. And also put that stuff online, on www.YouTube.com. So then, instead of me having to reach out to them, a lot of people started coming to me as well. And that, I think, a lot of people are afraid to put stuff out online, because they think they're gonna look like an idiot, or oh my God, it's gonna make me look fat, or my hair's not gonna be perfect. And I think you have to get over that and realize, hey, if you've got knowledge on something, people are coming to you for that knowledge, what's between your two ears. There are realtors in every market.

There are mortgage brokers in every market. There are investors in every market. There are buyers in every market. And the only – and with the use of technology, really the only hurdle to doing stuff, location independent, is your fear about jumping online. It's like anything else, you gotta just get out there. You gotta give it a try. I always tell people, hey, start an hour away from you, or move to two hours away. I'm very lucky here in Austin, Texas. We're in the middle of the country, I'm about a two and a half hour flight on www.Southwest.com from just about 90% of the country if I need to. So, just be smart, reach out, don't be afraid to ask questions. I'm a big fan of www.MeetUp.com. You can find real estate clubs just about anywhere in the country via that. That's a huge source for people looking in other areas, and often those guys or gals that run those clubs will know the turnkey providers.

They'll know the good attorneys or the good realtors that could help you out. They're investor friendly as well. So, that's a huge, huge source for people who are scared, initially, to go out and do it themselves. Go find a local real estate club and talk to the presidents and the people closing deals in those markets, and it'll save you so much time and money and effort. You'll be rocking and rolling with the best in the area.

Matt: Awesome advice. Can you talk a little bit about, in terms of running a business? You're the CEO of the company, can you talk a little bit about your leadership style, and the way that you manage, and the way that you, operationally, can run your company? In general, but also remotely when you're out of the country, for example.

Scott: That's a great question. So, I think most entrepreneurs are control

freaks. It's been an evolving thing. I will tell you this, I've been very blessed that I've got really good people. So I say, one of my biggest advisors early on told me, be long to hire and quick to fire. And this has come in handy over and over again. Make sure you're hiring good people. Trust your gut, trust your gut. I don't care what it looks like on a resume, or whatever. Trust your gut. That's what God gives us, instinct, there, a sixth sense. And so that's the best thing I can tell you. Trust your gut, if you like a person, great. But you wanna make sure and hire the person for the position.

Don't hire someone who's exactly like you. You wanna hire somebody who's gonna fit that position, and maybe the completely total opposite. They may be an introvert where you're an extravert. They may be detail-oriented when you're not. And so, with my staff, I'm pretty hands off. I've got a girl who works here in the office, is my full-time marketing. I'm in her office maybe 10-15 minutes a day, a few minutes in the morning, talking with her, a couple minutes in the afternoon. She's great about doing – half the time she works from home, and I'm completely fine with it.

I have another person who I hired, really good, from a servicing company, who does a lot of my borrower outreach. She works from New Jersey. She used to manage my portfolio, or part of my portfolio, for a big servicing company. She was getting ready to leave that company and I was like, woah, woah, woah. What do I need to do to hire you? Come to work for me. We gave her a raise over what she was getting. I use VAs, I'm a big fan of virtual assistants, but most people, how they get it wrong with working with somebody who's either remotely or a virtual assistant, is they don't take the time to teach that person or coach that person. If you're gonna hire somebody, that's where most of the money is spend these days, is on training. The more you can spend with somebody in training, the better they're gonna be.

And then, I also use www.Zoom.com, or videos to record short videos so if I do have to retrain somebody on it, I don't have to spend the time on it. They can just watch the videos and go from there. And then if I hire somebody, and then hire somebody else as well, the person that I just trained turns around and trains the person I just hired. So, I'm freed up to do what I need to do and spend the time on the most important things that I need to get done. So, I'm pretty hands off. I give my team permission to make mistakes. I want them to go out and do some things.

Often, they exceed – well, actually most of the time, they exceed my expectations because I've spent time with them. I trust them. I tell them what I'm looking for a lot, on the front end. We spend a lot of time, initially, so they have a feel of what I'm looking for. I have an open-door policy, where there are no stupid questions. If I'm doing something, they come in, I stop what I'm doing and I listen to what their needs are. You have to realize too, as you're hiring people, people have different motivations. Like, Shannon who works in my office. She's not a real estate investor. She loves the marketing side.

She's very quiet, introverted, but she's got a great mind when it comes to seeing things, and creating infographics, and working on our videos and our websites, and things like that. So, she's great because she'll go do it and knock it out, and often do better than I can. But I give her that room. I don't have to hover over her. I don't have to be a micromanager. I hate that. I'm not a big fan of that. And I always tell my employees, listen, come in, you'll work here for a while, if you see something that you think will be good, starting off, I give them \$100.00 budget. If you see something that makes sense, \$100.00. When they've been here for six months, it bumps up to \$500 bucks.

They've been here for a year, \$1000 bucks. If they think something will be valuable, a tool – because they're my eyes and ears for things that I'm not into anymore. And that's an important thing for me. If they see a tool or wanna run with an idea, I'm all for it. Because that gets them invested in the company, and that gets them invested in doing some things, and they become a very valuable asset that I'm lucky to have. By doing a good job, it makes me look good. It makes the company look good.

Matt: Awesome. I wanna ask you a little bit more about your marketing strategy. I know that marketing is one of the areas that you are known for, you speak on that topic, and you've been very successful in building your company with marketing campaigns. Can you talk a little bit about what is your company's marketing strategy? And right now, as of this year, what types of marketing campaigns and techniques are working particularly well? What types of tips might you have for people?

Scott: Oh, do we have another hour? So, we coin the term marketing

octagon here. And when you look at all the different social media, videos, and www.Linkedin.com, and www.Twitter.com, and www.Instagram.com, and www.Facebook.com, it can be very overwhelming with all the noise out there. And so, one of the big things that we teach our students and that we focus on is something called this marketing octagon. You can take one thing, and repurpose it seven, eight, nine times. You don't have to go out and recreate something new, you just tweak it a little bit. I'll give you an example.

If we're buying a property, we get a good photo of the property, and then I'll do, or one of my staff will do, a short deal video, two to five minutes. Might just pull their smartphone out and share it online. Now that picture becomes the thumbnail for that video. That video, two to five minutes, very short, but it's valuable on www.YouTube.com, we'll throw it on www.YouTube.com, we'll post it on www.Facebook.com, we'll also take that video and get it transcribed. That becomes a blog. We'll throw that blog on www.Linkedin.com with a video and the picture. So it all builds together, and we're sharing it across the web, as they say.

And as a spider, as I like to say, I don't want a small web, I want a big web. So, we take one thing and then we share it everywhere. And with the use of www.Hootsuite.com, or www.Buffer.com, or a couple of other tools I use, like www.Repurpose.io, or www.LiveLeak.net with our videos, I can share those automatically across different platforms and groups. So, we use a lot of great tools to take one piece of content and share it everywhere. Because you never know where your audience is gonna be. And while my audience is primarily somewhere between 35 and 65, college-educated, homeowner, making \$75-\$250 a year, and interested in real estate, they're not all on www.Instagram.com. They're not all on www.Facebook.com. And so, we go where they're at, and we expect, okay. Let's just post this everywhere. If we find somebody new, great. But we wanna get it out because there's a stat about sales, 80% of sales are made after the fifth contact. And so, that's the thing. The fifth contact, www.Facebook.com, www.Linkedin.com, email blast, video.

You want to start getting out in front of people because you never know where they're spending their time, and where their eyes and ears, and what they're listening to. So, that's why we have the podcast now, too, that's doing well. But that's what I tell people,

don't just take one picture and post it to www.Facebook.com. Post it everywhere. I had a lady last night I was talking to, she's like I don't have a www.Instagram.com account, I don't have a www.Linkedin.com account. I'm like, well great, start one. Just start. You choose not to take advantage of something is you guaranteeing failure. The only thing you guarantee by not trying is a failure.

And everybody starts off putting their pants on in the morning, or their underwear on one leg at a time. You gotta start somewhere. I was brand new at different things. But that's one of the most important keys I can tell everybody out there listening. It doesn't matter if you're in real estate, or Tiddlywinks, or whatever it is. We're not in that specific field. Everybody out there is now a media company. We're all a marketing company. We're all trying to find buyers, find clients, whatever we're trying to do. We're all in the media, and if you're choosing not to embrace that, you're gonna get left behind here very quickly.

Because somebody out there is gonna be doing it, and they're gonna be taking that market share away from you very quickly.

Matt: Can you talk a little bit about the podcast now? The note closer's show (www.weclosenotes.com/note-closers-show-podcast). When did you start it? Why did you start it? And talk a little bit about the format, and then how the podcast has been performing for you.

Scott: Yeah, it's just blowing me away, Matt, what we've done. So, I'll go back to Kevin Harrington, another time – I heard him at another event back in late October of 2016. He was like, you gotta be doing video, gotta be doing video, and Facebook lives (www.live.fb.com) are out. I was like, okay. I'm a big fan of Gary Vaynerchuk, like a lot of people are. I saw him doing daily videos, I was like okay, let's do that. So we started just doing short, like a fly on the wall, a day in the life, what are we working on? That's why we called it the Note Closer's Show, (www.weclosenotes.com/note-closers-show-podcast) on November 1st, 2016. They were just short Facebook lives, (www.live.fb.com) like a nugget of the day. And we did that for like, 140 episodes.

And I've been doing Monday night videos online for years, since 2011, that we were showing up on www.YouTube.com. And I had

a buddy of mine go hey, why don't you start a podcast? I'm like, nah, I don't wanna do all that extra editing. I'm a one-take guy, for the most part, if I screw up, whoopy do. It just makes me look like a normal person. And a couple of buddies of mine started a podcast that were doing well with it, I was like good for them, awesome. And they came and told me they were gonna stop doing a podcast for two years. I'm like what? That's stupid. You've done such a good job, why? And they just got pod fade.

And I said okay, we're gonna go ahead and do this. So I reached back out to my buddy and said okay, what do I gotta do to do a podcast? And he goes well, if you want to record your episodes with www.Zoom.com, go ahead and do that, which was what I was ready to do. So, I was like oh, I don't have to do any extra work, so let's do it. So, on August 20th, the first true episode of The Note Closer's Show (www.weclosenotes.com/the-note-closers-show-podcast) podcast was launched, and we're coming up on celebrating our second year. We're about to hit our 500th episode because we do them three to five times a week.

And we hit – we got 350,000 downloads which is crazy on such a little niche. Because the riches are in the niches, everybody. My real estate show is very focused on the distressed debt space. We do bring on other real estate investors and entrepreneurs and other things, but mostly it's all about buying debt. And us now dominating that niche and just throwing content out there just leads to a ton of great things happening. I mean, we get investors that come off of it. We've got people that sign up for our workshops. I'm being asked to speak at podcasting conventions now, because of the success of the show. We got picked up by 17 different AM/FM radio stations across the country.

So now we've got a show that goes live every Tuesday, Wednesday, Thursday at 9:00 a.m. from Tampa to Long Beach, and then we've also – it's just been amazing having people from outside the United States. Israel, London, Spain, New Zealand, people reaching out to talk to us that are listening to the show, and just going from there. So, I think podcasting is the last true facet of free speech, uncensored free speech if you wanna have it. But it's such a great way to get what you're doing out to your audience. I think everybody should have a podcast because everybody's got a different take on life, and their business, and things like that.

And it's just such a great thing, whether you're talking, or interviewing people, or sharing your knowledge, we've all got a message to tell. If you've ever had an opportunity to read a book by Seth Godin (www.sethgodin.com) called *Tribes*, we all have a tribe. Everybody's looking for leadership, you just need to start sharing what you know and be a true leader out there. Everybody's capable of doing this, and it's a pretty easy thing to do and has been a game-changer for what we're doing in the note business.

Matt: And after recording almost 500 episodes, what are the biggest lessons that you've learned? What are the top tips that you have? In your opinion, what makes a great podcast?

Scott: Consistency. Being consistent. If you're gonna do it once a week, do it once a week. If you're gonna be doing it once every two weeks, do it once every two weeks. If you miss, your audience is gonna go somewhere else. We found that out when we took about three weeks off last year of traveling. We didn't have a lot of shows that went live. We did videos with some of our guest hosts we had running the show, but we didn't get them uploaded and we saw a big downturn. Another thing is I think the more episodes you do, the more lenient your audience is with you because they know that you're A, you're throwing out content and things like that.

But the biggest tip I could tell for people is, start. A lot of people overthink this. They think it's difficult. You know, you're in West Africa and I'm in Austin, Texas and we're recording this. I had somebody from Thailand have me on their business podcast a few months ago. You don't have to be next door or in the same room to get this thing done. And so it's really easy, whether using www.Zencastr.com or www.Zoom.com or even doing a Facebook live, (www.live.fb.com) and then just using the audio to go online, it's just an awesome thing. I saw statistics that were 650,000 podcasts out there, but only a quarter of those have done an episode in the last 12 months. So, a lot of people coming on and fading off. Just stick with it. Your audience will grow, you just gotta realize it's just like anything else. It takes time, stick with it, and it will reap benefits that you will just have never thought of. And we've seen that. I had somebody that the other day reached out to me, who heard me on somebody else's podcast, and called me, and signed up for my coaching program at \$15 grand, which is crazy, off a podcast episode. I have other people that, off of our

website, that buy assets from hearing us. Whatever your focus is, start a podcast, all right? Because there's plenty of people out there. Don't try to emulate somebody else.

Just be yourself, share it. Just like anything, a bit of marketing. It takes some time to build momentum, but it's really – I think it's the wave of the future for marketing. Really, really a wide-open space right now.

Matt: Good advice. Can you talk a little bit more about your coaching programs, and some of the information, and courses, and things like that, that you offer? I'm curious, both in terms of how that business evolved, but also specifically what the offering is, and how somebody might get involved if they're interested.

Scott: So, we kinda revolutionized our teaching method. I used to be traveling so much, we would do local workshops in hotels all the time. And I was getting burnt out with that much travel. So we decided, let's flip the switch. We were gonna do a big hotel event in Houston. We dropped like \$20 grand in marketing, and nobody signed up for it. And so, I was bummed having to write that big check for nothing. It's not a fun day. And out of that, we decided hey, why are we doing this? Why are we busting our butt trying to get people and butts in the seats when we've done such a good job of doing webinars, and live streaming stuff. So, we launched our online workshops.

We stopped doing in-person hotel events, and now we live stream our live events and do it all via www.Zoom.com. We'll have three days, four days, sometimes we'll have up to 30 speakers. We'll have hundreds, sometimes over 1000 people join us from all across the country, and we're just bringing on speakers that are sharing – it's a true virtual event, or virtual class. So, that's a big thing we do. We took a lot of our great videos and spent some time going through a lot of in-person, short videos on specific nuggets, and we put that in something called out note buying blueprint. And that's our online home study course that people can sign up for. And it dives in deep. It's a step by step process of getting in the note business, and due diligence, and servicing, and foreclosures, and marketing, and raising capital. That's been a great thing. What's smart is we recorded it in video, we upload it, we edit it occasionally, add some things to it, but it's been an evergreen product for us that has paid off, not only for us but paid off for a

lot of our students who take it. It's a study at home, at their pace kind of course. And we see so many messages and emails and posts about their just having great success in the note business. So, you can go to www.weclosenotes.com, that's my main website, www.weclosenotes.com.

And you can see all the things we have available there. I do have a special thing if somebody's interested, I've got a book, a short study, three-page book on how to get into that business if they're interested. If they just go to www.noteblueprint.com/freebook, they can download that for free. It's www.noteblueprint.com/freebook. It's an easy read, and it gives them some great knowledge to get started in the note industry, kinda what the note industry's all about.

Matt: Awesome, and we'll link all that stuff up in the show notes, so people can just go to one place at www.themaverickshow.com and just go to the show notes of this episode, and we'll have all those links right there. You can just click through them. Scott, I also wanna now ask you about travel, and I wanna start by asking you a large scale question, in terms of what does travel mean to you? What do you get out of it? Why do you travel the world?

Scott: More than anything, it's a chance to recharge. I think so many people would get so – especially here in the United States. We're, you know, grind, grind, grind, hustle, hustle, hustle. If you're constantly doing that, you can get burnout when you're burning both ends of the candle. And so travel, for me, has evolved over the years, where it used to be a lot for work, where I'd be traveling 40, 50 weeks a year. Now I'm not traveling so much to go and speak at every conference I can get my hands on. I'm very selective about where I'm speaking. And so, my travel now is that we pre-book three to four events a year, of just travel for us.

We just got back from three and a half weeks of vacation over in Europe. We took a couple of cruises, we hit London and Spain. It was just a chance to step away, let my battery charge. I think it also – especially if you travel abroad, and Matt, I'm sure you probably agree with this, it allows us to see what we have, and how to be grateful for what we've worked so hard for. Because if you're constantly busting your butt and you don't take the time to smell the roses, or relax, or celebrate life's victories, you're gonna miss out. One of my fondest memories from my father is something he

told me before he passed on. Life is all about making memories. You gotta make sure and stop and enjoy the moment. If you're constantly working, you're gonna miss out. What's all this hard work for if you can't enjoy it at some point? And so, that's what travel is for me now, is a chance to get out, experience something new, see what people are doing, recharge my batteries, really kind-of relax.

And, more than anything else, it allows me to come back with a new sense of purpose, new energy, a new focus to tackle what's going on in the markets or take our business to the next level.

Matt: And how do you select the locations where you choose to go travel? What types of things are appealing or interesting to you? So, when you're gonna pick your next few trips or so, what types of things do you look for when you select the itinerary?

Scott: Wherever Stephanie wants to go. **[Laughter]**

Matt: Fair enough, man. That's a good answer. You can just leave it there. You can just leave it there if you want.

Scott: I like to go everywhere. Stephanie, bless her heart, is a big, huge fan of Disney, and she worked at Disney. And so, love going there. When we first met, she was a big Disney – she still is a big Disney fan. But I'm like, I don't like going to the same place over and over and over again. I've been there, I've seen the rides, whoopy do. The Eiffel Tower at Epcot's okay, but the real thing is even more awesome. And so, that's something. It's just checking off places, countries, I like the Caribbean, we both love jumping on cruises. So, that helps us. If we can find a cruise itinerary for different places we've never been, that's something we're gonna do. Prebooked a cruise to Greece next year.

We've got a cruise booked for Halloween because Steph is a big Halloween fan. She wants to be in a Disney boat for Halloween. We're not married, but happy wife, happy life, for everybody out there.

Matt: Awesome, man. All right Scott. At this point, are you ready for the lightning round?

Scott: Hit me, baby, hit me hard. Let's go.

Matt: All right. What is one book that has significantly influenced you that you'd most recommend to people?

Scott: This is an easy question. *Outwitting the Devil*. (www.outwittingthediabol.com) It was written by Napoleon Hill back in 1938, never released. Don Green, who's the CEO of the Napoleon Hill Foundation (www.naphill.org) found this book a few years ago, in his filing cabinet. Took it to Mrs. Hill, who's still alive, and she told him, yes, Napoleon wrote this book, but based on the topic, I didn't want him to release it back then because she thought it too controversial. And the book is about, basically, Napoleon Hill sitting down, having a conversation with the Devil of what makes the Devil so successful. The main theme in the book is the Devil gets people to drift, where they aren't focused.

They get started, and a squirrel shows up, and they go off on a shiny object syndrome. And that's what the book is about, is the way to outwit the Devil is just to be focused. Stick to one lane. And Sharon Lechter (www.sharonlechter.com), who is a co-author of *Rich Dad, Poor Dad* and a friend of mine, is friends with Don Green. And Don Green approached her to either rewrite the book or rerelease it. And so she sat down, read this manuscript, and then she published, but only added insights to what she thought Napoleon Hill would think of in today's world. Left the book exactly as it was how he wrote it, but added these things to it. And it's an amazing book.

We probably give 100 copies of this book away each year because it's such a valuable book. And that's one of the biggest things I can tell those people listening. Be focused. If you find yourself pulled in different directions and doing multiple things, you're not gonna have nearly the amount of success, and be as effective. Not only in your world but the world around you, by being able to give back more. So, be focused, avoid drifting, and that's the way to outwit the devil.

Matt: Awesome. We're gonna link that up in the show notes for sure. Scott, what is one app or productivity tool that you're currently using that you'd recommend?

Scott: Wow. There's so many. I would say Calendly, the app Calendly. (www.calendly.com) If you've got a schedule you're trying to keep, the more you can be organized with your schedule and block

things out, so it's gonna make you a lot more effective in your day to day activities. So, www.calendly.com, I would say. It's free, and you can have multiple calendars on Calendly. Like, I've got a schedule for my podcast booking. I have a schedule for 30-minute phone calls. I've got a schedule for an upcoming event down to the hour. So, the more you can book your calendar, and time block things, or set aside specific booking appointments. It's been a life-changer for me, being much more focused and organized. Being able to go to one spot and see what I've got going for that day when I log in when I walk in the office or before I leave the office at night. So, www.calendly.com. It's free, a great tool to use. It's one thing I love.

Matt: Awesome. If you could have dinner with any one person that's currently alive today that you've never met, could be a celebrity, author, public figure, sports star, whomever. Who would you choose, and why?

Scott: Wow. That's a good one. If they were passed away, I'd say Abraham Lincoln. Because I was a huge fan of him growing up. But alive today, I would say Matthew McConaughey. He's a local Austin native and a Longhorns fan. I have met him before when he was quite intoxicated at a bar when I was growing up in college. It's just amazing to see how the guy has evolved. And if you've ever watched his Emmy award, Academy award speech about the hero he chases is himself 10 years from now, he's just evolved in the last 15-20 years.

So, I think that would be a fun hour, hour and a half, two hours at night of sitting down and having a few adult beverages and shooting the breeze with Matthew McConaughey.

Matt: That would be an amazing dinner. I think that's a really good pick. Awesome. All right, what is one podcast that you listen to, other than your own, that you would most recommend to people?

Scott: Oh, my Gosh. This one, for sure. (www.themaverickshow.com) This is a great event. If you're listening, hey, go to iTunes, hit the subscribe, and leave Matt a five-star review. There's one that I like, my buddies Joe Fier and Matt Wolfe called Hustle and Flowcharts. (www.evergreenprofits.com/catagiry/the-podcast) A couple of guys out of San Diego, they do a lot with digital marketing and affiliates and testing out new software, and different effective

tools. That's a big one that I'm a huge fan of. Those guys do a great job. Roland Frasier, who's a principle and digital marketer has a new podcast called Business Lunch, (www.businesslunchpodcast.com) that's just relatively new. Great podcast. It's skyrocketing. He had Sir Richard Branson on one of his first episodes. And Roland's just a marketing genius as well.

Matt: I was actually in the audience, live, when Roland interviewed Richard Branson earlier this year in San Diego at the Traffic and Conversion Summit (www.trafficandconversionsummit.com). That was a pretty epic interview.

Scott: So was I, man. So was I.

Matt: Man, our paths cross quite a bit, my man. This is crazy we had to wait until I was in West Africa to do this interview. All right, man. Last few questions, here. I gotta pull a couple out just for you, Scott, in particular. Okay, and I gotta allow you to give this answer. Who is your favorite sports team?

Scott: Who's my favorite sports team? So, being in Austin, Texas, I'm a huge Dallas Cowboys fan. My favorite sports team in baseball, Minnesota Twins.

Matt: Okay. And who is your favorite athlete of all time, ever, professional athlete?

Scott: Favorite athlete of all time? Man – Nolan Ryan. Man, growing up, he was a hero of mine and a great pitcher, and just a great gentleman as well, too. I've had the opportunity to meet him a couple of times, and hang out with him here in Texas because his sons run the minor league baseball teams in Houston. Nolan Ryan, just an amazing individual.

Matt: Awesome. Okay, we're gonna close it out with two travel questions. The first one is, what are your top three travel destinations, favorite places you've ever been in your life that you'd most recommend, top three?

Scott: Man, if you can make it to St. Kitts and Nevis, in the Caribbean, that's a great place. The Four Seasons Resort on Nevis (www.fourseasons.com/nevis) is just outstanding and just beautiful, and just a great way to unwind. I'm a huge fan. Also, the

Catacombs in Rome(www.rome.net/catacombs-rome). The under the ground Catacombs was one of the most interesting places I've been to. Just the history behind that area. The Coliseum, you make it to Rome for anything, Rome's amazing. It's one of my favorite places. And then I would say the third place – man. I was just talking to somebody the other night about this. Barcelona is, I think, one of the coolest cities to go to, to hang out. Just an amazing place. The food, oh my God. The food, the wine, the nightlife. Gotta love Barcelona, man. Great place in Barcelona.

Matt: Agreed. I've spent many months in Barcelona myself. Agreed. Those are great. Those are great picks, man. All right, last question, Scott. What are your top three bucket list destinations, places you've never been that are the highest on your list you've most love to go see?

Scott: One's gonna be Australia, I wanna get down to Australia. I once had a trip booked for there for three weeks, in Australia, and then I had to cancel it. So, Australia's one. I wanna go to Japan, No. 2. And then-No. 3 is gonna end up being Russia. Moscow, Russia.

Matt: That's awesome, man. I'm going to Russia in two months.

Scott: Really? Well, take me there, man.

Matt: Come meet me, brother. I'm doing a week in St. Petersburg, a week in Moscow, and then I'm taking the Trans-Siberian Railway from Moscow all across Siberia to Ulaanbaatar, Mongolia.

Scott: Oh, my Gosh. That's awesome. I have to check my schedule.

Matt: Come join, man. That's amazing. I've got a 30-day visa for Russia, I'm gonna use all 30 days. Yeah, man. Hit me up if you wanna roll it, brother. I'll give you the details.

Scott: Oh, I gotta look at my schedule. We got a couple of events coming up, but definitely, man. We gotta do that. I think there's a group of us out there that just say hey, let's all meet here for a week. Somewhere exotic, somewhere cool like that.

Matt: That's how we roll, man. Awesome. Well, Scott, this has been amazing having you on the show, brother. So glad we finally nailed the interview down. Tell people how they can get a hold of

you, how they can follow you on social media, learn more about what you're up to. And tell folks also, for people that are compelled now, and interested in this whole note investing thing, what is the first step for somebody to get involved and take the next step towards learning more about note investing?

Scott: So, the best way to find me is on our website, www.weclosenotes.com. You can find everything there. You can also follow me on www.Linkedin.com, or www.Facebook.com. Just looking for @lscottcarson. (www.Facebook@lscottcarson) The best way to get started, more than anything else, I'd say, is just to start learning. Education's so key. The note business is so much different from fixing and flipping homes, and land-lording. Your bank mentality, it's a whole different mentality. So, going to our YouTube channel, www.YouTube.com/weclosenotes.

And we've got hundreds and hundreds of videos on there on different topics and nuggets. When it comes to the note business, we have – our podcast episodes are live streamed and saved there as well. So, that would be a good place. Subscribe there, love to have you subscribe to our YouTube channel. If you wanna get started, go there, feel free to drop me an email. Scott@weclosenotes.com. I'd be glad to schedule 15-30 minutes with you, just to kinda see what your goals and your background are, and help you along the way any way I can.

Matt: Awesome. We're gonna link all that up in the show notes, including your contact information, your social media handles, and all that stuff on how to get a hold of you, as well as your recommendations and all the other stuff we talked about at the www.themaverickshow.com. You can get it all in the show notes, they're in one place. Scott, thank you so much for being here, my man. It was a blast.

Scott: Hey man, thanks so much, brother. Be safe, and I'll have a good bottle of Cabernet or Merlot for you when you get back stateside.

Matt: Looking forward to it, brother. Have a good one, take care. Goodnight everybody.

Announcer: Be sure to visit the show notes page at www.themaverickshow.com for direct links to all the books, people, and resources mentioned in this episode. You'll find all

that and much more at www.themaverickshow.com. Would you like to get Maverick Investor Group's white paper on how to avoid the seven biggest mistakes real estate investors are making in today's market? Just go to www.themaverickshow.com/avoidmistakes. The report is free, and available for you now at www.themaverickshow.com/avoidmistakes.

Learn how Maverick Investor Group can help you by cash flowing rental properties in the best US real estate markets, regardless of where you live. Schedule a free phone consult today, at www.themaverickshow.com/consult. Now you can buy rental properties with tenants, and local property management in place so you don't have to be a landlord or a rehabber. To get your questions answered and discuss how Maverick Investor Group can help you meet your real estate investing goals, schedule your free phone consult today at www.themaverickshow.com/consult.

[End of Audio]

Duration: 56 minutes