

**The Poor Man's  
Way to Riches**

**by**

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# The Poor Man's Way to Riches

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## INTRODUCTION

You can have all the money you want if you know *how* to get it. It doesn't matter if at the moment you are flat broke either, because the know-how in this book will show you how to smash any obstacle in your path. It doesn't even matter if you are up to your neck in bills, I'll show you how to get *immediate* debt relief and then borrow your way to a fortune starting with *ZERO CASH*.

It has taken me a staggering amount of labor to compile this report. Please don't make the mistake of underestimating its worth because of its "compactness." While your cost is only a few dollars, it has taken me *years* of experience and *thousands* of dollars to accumulate this information and get it in print. I hope you will reserve judgement until you've finished the last chapter.

To be frank, I don't see how anyone could fail to profit enormously from this information since there are so many plans and opportunities presented. Naturally the book itself cannot make you rich, nor can *any* book. You will have to make yourself rich by *using* the principles and plans I've outlined. *The plans can make you rich!* How far you go is up to you and how closely you follow these instructions.

Let's face it: Most people are their own obstacle to making a fortune because of doubts, hesitation, and rationalizations of our failures. I am a firm believer in positive thinking, but also in *positive action!* It still takes planning and thinking on your part to make money.

### HOW TO GET RICH . . . according to the late J. Paul Getty

J. Paul Getty was once the world's richest man, and he laid out some very clear rules for accumulating wealth. They are simple and to the point, but don't make the mistake of brushing them aside as mere generalities. These are real "hard-nosed" axioms for success. Here they are:

- Rule One:** To acquire wealth, you must be in your own business.
- Rule Two:** You must have a working knowledge of your business when you start it, and continue to learn more as you go along.
- Rule Three:** You must save money in your personal life, and in your business ventures as well.
- Rule Four:** You must take risks, both with your own money and with borrowed money.
- Rule Five:** You must learn to not only live with tension, but to seek it out.

- Rule Six:** Build wealth as a byproduct of your business success. If wealth is your only object, you will probably fail.
- Rule Seven:** Patience. This is the greatest business asset of all.
- Rule Eight:** Diversify at the top.

And there you have it. The rules a billionaire said were essential for success. But, of course these rules assume you are already highly motivated. If you aren't, you will have to motivate yourself before you can succeed.

Through the years I discovered the necessary elements for keeping motivated at all times. By following these five points, there is no limit to what you can do. There is *nothing* you cannot accomplish.

## HOW TO MOTIVATE YOURSELF

### Know How

The only way you can build confidence in yourself and your plans is to *know what you are doing*. Far too many people launch into ventures without enough information. They start out with blind enthusiasm and wind up in total despair.

So, before you take that plunge, know what you are doing. Be fully informed, know what can go wrong, and try to anticipate problems ahead of time. To help you, I've included a bibliography of many more fine books which expand on the information contained here.

When you know what you are doing, then you automatically acquire the self-confidence to make your plans and take the calculated risks necessary in most business ventures. Then you are ready for the next stage.

### Specific Goals

You can't go anywhere until you first decide *exactly* where you want to go. So, make your goals specific. Don't say to yourself that you want to get rich; say, *I want to be earning \$100,000 within two years*. Or, *I want to be a millionaire within five years*.

A goal without a time limit is like a gun without ammunition. It has potential, but no value. When you place a time limit, your thoughts and plans automatically "gear up" to face the task. You know where the finish line is and how long you have to reach it. This adds pressure to your program.

Your goal should be broken down into stages or steps to be completed, say each month. This becomes your overall plan to reach your goal. Put time limits on each individual stage of your plan. A journey of a

thousand miles begins with the first step, and that is the way you make your plans – step by step.

## Desire

You must cultivate a *burning* desire for success. You can't just mildly want it. You must *need* it as badly as you need food and water to survive. What you need to survive, you get *at any cost*. When you can convince yourself that you need success as much as you need food to eat, it will come. No obstacle will stop you.

Most people want to be successful, but very few have the tremendous *need* to be successful. That's why the "success story" is such big news – it's uncommon.

Of course success doesn't have to mean a "million dollars." It can also be a business of your own, financial security, learning a skill, or even climbing a mountain. Each of us has a different picture of success. But, whatever it is, you must develop such a need for success that you become a virtual fanatic.

## Self-image

Another reason for lack of motivation is the poor *mental image* we have of ourselves. We lack confidence because we believe we aren't capable of achieving the things we most want to do. All our life, most of us have been conditioned into believing that riches and success go to the favored few. We have been led to believe that we aren't "smart enough," or "lucky" enough to find success and happiness.

How can this be changed? By simply making your desire into a *need*. It becomes a driving force which will smash any obstacle in your path. As an example, you are lost out in the desert without water. You are weak and you despair. But suddenly a water hole appears . . . it is some distance away. A hard painful effort is needed to reach it. You know this, but you also know something else: *If you don't reach it, you die*. You have no choice. Your doubts and fears vanish. No degree of difficulty or level of pain will stay you. The need to live will see you through.

By setting your goal, writing it down, and repeating it to yourself often enough, you establish your need firmly in your subconscious. This is a process of self-hypnosis. Visualize your goal vividly each night before dropping off to sleep. This is when your subconscious is most receptive.

Every free moment you have from now on, I want you to use it to *PLAN & THINK* about your financial goal. Keep asking yourself, "*What specific plans will help me make the amount of money I need?*" Sooner or later, your computer-subconscious will bring you the answer.

## **Persistence**

*Never give up!* The person who perseveres is *destined to succeed*. It is a fact that more people have given up the game on the goal line (simply because they didn't know they were there) than at any other point on the field. Just *one more try*, just *one more bit of stubborn determination* would have carried them on to success.

## **Summation**

*Know How*

*Specific Goals*

*Desire*

*Self-image*

*Persistence*

## SECTION ONE

### HOW TO GET DEBT RELIEF IN 90 MINUTES

This section is NOT a course on how to balance your budget — you can learn that at your local library. What you will learn here is the kind of information generally unavailable in most libraries — *How to use little-known laws and legal tricks to obtain immediate relief from your debts.*

All of the methods I researched are included here. Regardless of your present situation, you can easily find a method for avoiding payment in this revealing chapter.

#### DELAYING TACTICS

There are several good methods of *delaying* payment indefinitely. If your financial difficulty is only temporary, you may want to use some of these techniques.

##### Answer collection letters

Be certain that you make no specific promise of payment. Be brief and apologetic. A short letter explaining your difficulty should gain a two or three month delay.

##### Dramatic appeal

If the heat is really on, you may want to try the “dramatic letter.” You should express your determination to pay your bill despite overwhelming odds. Such a letter can delay payment for six months or more, giving you time to get back on your feet. Here is an example:

*Dear Creditor:*

*Since last March, my family and I have been under considerable financial and emotional strain. My wife was involved in a serious automobile accident which resulted in the amputation of one leg. She is still under medical supervision and will not be able to resume her former job.*

*In addition, I have been temporarily laid-off from my job. However, we are barely managing to get by on my wages from a part-time job. In spite of these obstacles,*



*I fully intend to resume payments on my account as soon as possible.*

*I truly appreciate your cooperation and understanding in these trying times.*

*Very Sincerely,  
John Debtor*

## Use Status Ploys

Debtors of real or apparent worth are usually treated with “kid gloves” by collectors. The creditor’s notices and demands are carefully worded to avoid giving offense. For this reason, a graceful apology and a promise to pay by some indefinite date is much more effective coming from the rich than from the poor or middle-class.

You can help create the illusion of wealth by using expensive Tiffany stationery when you write your creditors. When you write (or call), never admit you are “broke.” Instead, tell them you are in a temporary “cash-bind.” Explain how you suffered a minor set-back in the commodities market. Another excuse could be that your accountant is off on vacation and that he must approve your check when he returns.

## Threaten the Collector

The favorite tool of the collector is the threat of legal action. This is your chance to turn the tables and issue *your own legal threats*.

*Threaten with bankruptcy.* This is the last thing your creditor wants to happen. Almost always, a threat of bankruptcy will suspend collection efforts. Do not be arrogant with your threat. Just calmly explain that you have been discussing the advisability of bankruptcy with your lawyer.

*Threaten to sue.* This threat is very effective if crude collection tactics have been used against you. Illegal collection tactics are quite common and you may indeed have grounds for a suit. For example, *suit for extortion* is possible if you are threatened with criminal action since debt is a civil matter. Any letter to your employer that is defamatory can be grounds for a *libel suit*. Similarly, any contact with your neighbors which may characterize you as a deadbeat, may be sufficient grounds for a *slander suit*. At the very least, such collection tactics deserve the threat of a suit — thus delaying collection efforts for months. If you use the threat, be sure to deliver it in a calm manner for it to be convincing.

*Threaten to complain to the FCC.* Telephone collectors often call at inconvenient hours, use abusive language, and sometimes try to frighten family members with empty threats. If this should happen to you, remember that the Federal Communications Commission prohibits such

tactics. The Postal Service has similar restrictions on the use of the mail. Your complaint to either one of them will almost certainly delay collection efforts. Of course, simply notifying your creditor that you intend to file a complaint is usually all it takes to stop them.

### **Make yourself inaccessible**

By making yourself inaccessible, it is possible to keep your creditors off-balance. The collector is somewhat dependent on learning your intentions and whereabouts before he takes any drastic measures to collect. He will attempt to find you and shame you into paying, if at all possible. He also wants to know if you have a good job and what assets you may possess. In other words, if a civil suit is to be instituted against you, he prefers to know if it is really worthwhile. Most creditors will not even contemplate suit for amounts under \$500 — especially if they think you are out of work and with no assets which can be seized. Therefore, you should unlist your telephone number, ignore their mail, and completely avoid any personal contact with your creditors. After all, you are not legally obligated to speak to them even if they come to your home.

### **Win a settlement**

If you have stalled your creditors long enough, you may be able to negotiate for a final settlement. They will oftentimes settle for as little as 20 cents on the dollar if you can convince them it is their only rational choice.

You can do this by either threatening bankruptcy, or convincing your creditors you are leaving the country for an extended period. Explain that you prefer to settle your debts first, if possible, but that you can only afford to pay a fraction of what you owe.

The plan stands a much greater chance of being accepted if your debt has first been aged by delaying tactics. It is a fact that the older a debt becomes, the less chance there is of it ever being collected. Your creditors know this and they usually agree to a settlement on old debts.

## **STOP LAWSUITS AND PROPERTY SEIZURE**

*Unmarried women.* Get married! Your husband is not responsible for your past debts and once you place all your assets in his name they cannot be seized.

*Married man.* Transfer your assets to your wife's name. Your wife is not liable for your debts and assets in her name cannot be executed upon.

*Married couples.* Move to a community property state. If husband and wife have separate debts, their bank account and other community property cannot be levied upon for either one's individual debts. Community property states include Arizona, California, Idaho, Louisiana, Montana, Nevada, New Mexico, Texas, and Washington.

*Transfer assets to your own corporation.* If you own a small corporation, transfer your assets to it. Corporations are considered a legal entity. As such, they cannot be levied against for the debts of the owner.

*Wait out the Statute of Limitations.* If you stall your creditor long enough, you may never have to pay. Although the time limits for collecting debts varies among states, it generally runs between 3 to 8 years. However, if you have successfully evaded payment for three or four years, chances are very good that your creditor has already given up.

*The Soldier's and Sailor's Civil Relief Act.* If you are considering entering military service to escape your debts, then you should know the special protection you are entitled to under this Act. For instance:

- 1) **Your earnings are protected from wage garnishment.**
- 2) **You may have any suit stayed on request; then the collector must prove that your military duty doesn't interfere with your ability to defend yourself in court.**
- 3) **A default judgment cannot be instituted against you unless you have been represented by a lawyer.**

*Homestead your house.* This simple procedure will protect your home from being levied upon by creditors. The Homesteading laws were originally introduced to prevent creditors from taking away the lands of farmers who couldn't pay during drought years. The amount of protection is set by each state and varies widely. Thus, in the amount prescribed by state law, your home is also exempt from seizure even if you file for bankruptcy. Homesteading forms are available in large stationery and office supply stores. Fill out the forms and have them notarized. Then file them at your county courthouse. It's that simple.

*File a general denial.* Judgment against you is obtained in one of three ways. First, if you appear in court and affirm the claim against you. Secondly, if you fail to appear in court, a default judgment will be granted your creditor. And the third way is if you appear in court to deny the claim and lose the case.

If you are served with a summons to appear in court, you should file a *general denial*. This serves notice to your creditors that you intend

to fight. Your strategy is to convince the collector to give up. Court trials can be expensive — especially when legal action is being contested.

To file a denial, go to the civil court specified on the summons. Give the summons to the court clerk and tell him you want to file a general denial. Remember, you have more than just a bluff if the goods for which you owe money are defective.

*Challenge a default judgment.* It is almost routine for default judgments to be awarded to creditors without the debtor even being served a summons to appear in court. If you receive a notice of intent to enter default judgment against you, write the collection lawyer. Explain to him that the default judgment was illegally obtained since you never received the summons. Tell him that any further action toward you will result in legal action on your part. Send copies to the judge of the civil court, the attorney general of your state, and the local Bar Association.

Keep in mind that a summons stuck in your door while you are away has NOT been properly served — it MUST be delivered to you personally. Otherwise, who can prove you ever received it?

*Employ the Uniform Commercial Code.* Consumers have recourse to UCC provisions of “unconscionable contracts” if they live in a state which has adopted the Uniform Commercial Code. Deceptive contracts, tricky language, misrepresentation of products and services, or an extremely unfair price, could be sufficient grounds for a court case and the discharging of a contract. The mere *threat* of starting a court case may be all that’s needed.

*File a Wage Earner Plan.* This little-known federal law can stop your creditors cold within 90 minutes. This plan is provided for under Chapter XIII of the Federal Bankruptcy Act. However, it is *not* bankruptcy since none of your debts are actually discharged. Anyone who earns a living from wages, salaries, or commissions can use it. The plan is, in effect, a court supervised debt consolidation. Under this plan, you turn over all your debts to a federal court. The court then pays your creditors from a portion of your income.

The amount you pay is calculated by subtracting your normal monthly living expenses from your income. The balance is the amount you send to the court for distribution to your creditors. For the plan to be accepted, you must design it so that your payments are enough to pay off your creditors when spread over a three year period. When your payment plan is accepted by the majority of your creditors, it MUST be accepted by all of them.

**How to file.** First, visit the United States District Court and ask to speak to the referee who handles these proceedings. You will be given several forms on which to list your various debts and your income. You

will be required to pay a filing fee of about \$20. Later, you will have to pay a court fee of \$15. Within 24 hours of filing, a restraining order will be issued to your creditors. This restraining order will:

- 1) Stop all legal action against you, including wage assignments and property seizure.
- 2) Prohibit creditors from contacting, harassing, or threatening you in any manner.
- 3) Stop all interest and late payment fees.

Usually there is at least a three month interval between the filing date and the actual court date. This payment-free period is only incidental to other benefits of the plan:

- 1) Reduces payments to a manageable sum.
- 2) It does not ruin your credit rating.
- 3) Payments can be made weekly, monthly, or even bi-monthly at your request.
- 4) You may be discharged from obligations to any unsecured creditors who fail to file a claim within 6 months of the first creditor's meeting. Statistics show that about 40% of such creditors do fail to file a claim!

*Caution:* If you decide to use this plan, be sure to keep up regular payments to the court or the plan becomes void. Also, you are not allowed to purchase anything on time payments during the 36 months the plan is in operation.

## WIPE OUT YOUR DEBTS

### Bankruptcy

When the burden of debt becomes so overwhelming that it can wreck your life, the law provides you with a means of wiping out your debts. With bankruptcy, your debts are *completely* discharged — once and for all.

Basically what happens is that your assets are turned into cash and the cash is used to pay off your creditors. For instance, if all of a debtor's assets convert into \$100 and he owes \$1,000, he pays off the \$1,000 with the \$100. That's a 90% discount, or a dime on the dollar. In most cases, creditors are lucky if they get anything. Seventy-five percent of bankrupts do not pay *even one dime!* About ninety percent

of those who go bankrupt lose *less than \$100 worth of assets*. The main reason for this is that the law allows certain exemptions. For example, your clothing, the tools of your trade, your house (if you Homesteaded), and essential furniture are considered exempt property. Bankruptcy may be for you if you meet one or more of the following conditions:

- 1) Your main debts are dischargeable. Non-dischargeable debts are: Taxes, alimony, child support, debts obtained through fraud, and debts resulting from intentional injury to persons or damage to property.
- 2) You have few (if any) assets which can be seized.
- 3) You have sold or transferred your assets prior to filing.

*How to file for bankruptcy.* In order to avoid paying between \$300 to \$1,000 or more to a lawyer, you simply go to a stationery store that has legal forms, purchase a set of bankruptcy papers, and fill them out yourself. They are self-explanatory, but you must be careful to list everyone you owe money. If you omit anyone, they can still sue you for payment. Carefully list all your assets and then take the papers and file them yourself. There will be a court fee of \$50 or so which you must pay upon filing.

You will be required to appear at a hearing within 60 days of filing. At the hearing, if the court referee asks why you are not represented by an attorney, you should point out that you are bankrupt and can't afford one. If your affairs are complicated enough to require a lawyer, the court will appoint one who will have to take his fee from whatever is available from your assets. If you have no assets, it is probable that the referee will hear the case without an attorney. The matter will be adjudicated quickly and your bankruptcy affirmed. Below is a list of popular myths about bankruptcy that are worth examining:

#### **MYTH No. 1 – A bankrupt can't get credit.**

Although records of bankruptcy do go into a credit bureau's files, the bankrupt can and does get credit after bankruptcy. In one sense, he's a better risk because he can't file bankruptcy again for six years.

**MYTH No. 2 – You lose everything you own.**

As explained previously, very few bankrupts lose *anything* due to liberal exemptions allowed by law. Of course, many bankrupts do not even bother to *report* all of their assets either.

**MYTH No. 3 – If you pay off one creditor, you must pay them all.**

Actually, there is nothing to stop you from paying off selected creditors following your bankruptcy. To keep your home or any other property which is collateral for a loan, you can simply renegotiate with the creditor.

Sometimes creditors will try to trick you into reaffirming your debt after you have been granted bankruptcy. You will re-open the old debt if you pay or promise to pay even a portion of the debt. A typical strategy used by some creditors is to persuade the bankrupt to sign a new note *on top* of the old one, thus reaffirming the delinquent loan.

Another common trick is to encourage fraudulent loan applications. An applicant is often told that he does not need to list all of his debts on his credit form. The application is then fraudulent since the form itself calls for debts to be listed. Once in bankruptcy court, the creditor will accuse the bankrupt of making a fraudulent application and will argue that the loan is not dischargeable.

If this should happen to you, your response should be that you were instructed by the loan officer that it was *not* necessary to list all of your debts. Your word will hold up in court since this practice is so widespread among lenders.

If you do choose bankruptcy, consider doing this: First, open up all available lines of credit *before* filing. Apply for every credit card available. Next, try to consolidate all your current bills with *one lender* only and bankrupt against this firm. By doing this preparation, you will have paid off your old debts and reestablished your good credit with them, as well as opened new accounts elsewhere. After bankruptcy, you will still be able to enjoy virtually unlimited credit.

## SECTION TWO

### HAVE AAA-1 CREDIT EVERYWHERE

Now that you have been shown how to get out of debt, let's see how to get *back in debt*. This time it will be for the purpose of making *you* wealthy rather than your creditors.

At one time in history, borrowing was considered shameful. Not any more. Today the world and its economy thrives on credit. It isn't the poor who borrow heavily as much as it is the rich. They know the power of borrowed money to make fortunes.

Borrowed money produces the leverage necessary to amass wealth in a very short time. Later you will be shown how to raise tremendous amounts of capital and how to invest it to create your fortune. First, let's take a look at the methods whereby you can improve your *personal* borrowing power.

### CREDIT SCORING

Many people who apply for credit, whether seeking a bank loan, a store charge account, or credit cards, are now being rated by a *scoring system*.

It works this way: various aspects of an individual's life are put together into a mathematical "profile" with a specific number of points assigned to each factor. The total number of points must reach a certain minimum or the applicant is refused credit.

Point scoring systems vary according to the particular market they serve, but most take into account such factors as: *stability at job, age, income, credit history, and occupation*. On the next page is a standard point rating system used by lenders to evaluate credit applicants. Usually 18 points is the minimum score for acceptance. So, go through the chart and *change* the items necessary to make your application *exceed* 18 points.

As you can see from the chart, many of the factors cannot be verified by the lender — they must take your word for it. Thus, you can very easily "tailor-make" your application for instant approval.

Remember, the scoring system is merely a *guide* which some lenders use. There are five factors which you **MUST** score high on, regardless of your other point scores. They are:

- 1) A high salary
- 2) A stable employment record
- 3) A telephone in your name
- 4) At least 3 years at present address
- 5) A "paying" record



<b>FACTORS</b>	<b>POINTS</b>	<b>FACTORS</b>	<b>POINTS</b>
<b>Age</b>		<b>Marital Status</b>	
21 to 25	0	married	1
26 to 64	1	not married	0
65 & over	0		
<b>Dependents</b>		<b>Residence</b>	
one to three	1	rent unfurnished	1
over three	0	own with mortgage	3
no dependents	0	own w/o mortgage	4
		any other	0
<b>Previous residence</b>		<b>Monthly income</b>	
0-5 years	0	up to \$750	1
6 years up	1	\$750 to \$900	2
		\$900 to \$1200	4
		over \$1200	6
<b>Years on job</b>		<b>Monthly obligations</b>	
less than one year	0	zero to \$200	1
one to three years	1	over \$200	0
four to six years	2		
over seven years	3		
<b>Occupation</b>		<b>Credit history</b>	
unskilled	1	loan at this bank	4
skilled worker	2	other bank loans	2
professional	3		
<b>In addition</b>			
phone in your name	2		
checking or savings	2		

The previously listed five factors which you must score high on are (along with a good purpose for the loan) the essential elements which lenders look for *whether they use scoring or not*. Let's see how to meet these requirements.

First, you should ask your boss for a favor – one that won't cost him a dime. Just explain that you are trying to set up a good credit rating and you would like for him to verify that you have been with the firm for as long as possible and at the highest possible wage. If you're married, have your spouse do likewise with his or her employer.

In addition, you can also claim you are self-employed part-time doing yard work, painting, or anything you can think of. Your wife (or husband) can do likewise.

You should be prepared to prove you have at least two years on the job and an income exceeding \$175 weekly. Obviously, if you are looking for a large loan, your salary should be even higher.

You should definitely be able to furnish a telephone number. With many lenders, the lack of a telephone number is the end of the credit investigation. No problem. All you have to do is use a friend's telephone. (Don't mention this to the lender).

Try to "prove" you lived at your current residence for three or more years, and if possible, even longer in the general area. If you are renting, ask your landlord to back you up on this. If he refuses to cooperate, ask a friend to provide you with a "residence" address and back you up as your "landlord."

## AAA-1 CREDIT IN 30 DAYS

Regardless of whether a lender uses scoring or not, the best credit reference you can furnish is a record of having borrowed money from a bank. Since bank loans are hard to get, a good reference will usually rate you AAA-1. Below is a technique for using the bank's money to build an excellent credit rating. The plan should be started with about \$400, but it can be done with only \$200, if necessary.

- 1) Go to a bank of your choice and open a regular savings account with your \$400. Wait three days for the account to be posted and then go back to the same bank and ask for a \$400 loan – offering your *savings account* as collateral. Since your loan is totally secured by your savings account, the bank won't even make a credit check.**

- 2) Take the \$400 loan, go to *another* bank, and do it all over again. Go through at least three banks with your \$400. After leaving the third bank, you will still have \$400 cash in hand.
- 3) Go to a fourth bank and open a *checking account* with your \$400. Wait two days, then pay one monthly payment on each bank loan from your new checking account. Wait a full week and send your second monthly payment to each bank. Repeat one week later with your third month's payments.

Once you have followed this plan, you will be eligible for signature loans, credit cards, home and auto financing, or anything else. A credit investigation at this point will list you as an excellent credit risk. And why not? Within 30 days you will have:

- 1) An active checking account
- 2) Three \$400 savings accounts
- 3) Three \$400 bank loans on which you are three months ahead on payments

#### **Additional hints**

- 1) Take your passbook with you when you make the bank loans. You will have to surrender it to the bank.
- 2) Ask for a 12 month payment plan for each loan.
- 3) Create a favorable credit score using the chart for guidance (they probably won't check anything, but it's good insurance).

#### **PAYING OFF YOUR BANK LOANS**

By making the first three payments, you have "unfrozen" equal amounts of cash in your savings account. You can now withdraw enough money to make your upcoming payments. Continue in this manner until the loan is paid off. You will still retain most of your original \$400 because it continues to draw interest while used as collateral. This helps offset the interest charges you pay.

You can maintain your credit status without cost by applying for credit cards and funneling most of your purchases through them and your checking account. Try to keep a little money in each savings account for future credit references.

## **FILL YOUR WALLET WITH EVERY MAJOR CREDIT CARD**

You should have no problem getting all the credit cards you want if you have followed all of my instructions so far. When applying for credit cards, remember to space the intervals between applications. Don't apply for them all at once. Use the following procedure:

- 1) **Apply for department store cards first. Purchase something on a couple of cards and pay the balance when due.**
- 2) **Apply for gasoline credit cards. List your department store credit cards as references.**
- 3) **Apply for bank cards — Mastercard, Visa.**
- 4) **Apply for Travel & Entertainment cards such as American Express, Diner's Club, etc.**

## SECTION THREE

### HOW TO BORROW MONEY – FAST

Do you know what the secret of wealth building really is? No, it's not luck, who you know, or how smart you are (although these things can help). The way money is made in today's world of finance is by: 1) *Securing a business or investment which makes money, and* 2) *building up your holdings by investing more money into it.* In short:

**Invest BORROWED MONEY so it earns  
a return large enough to pay off the loan,  
while paying YOU a profit at the same time!**

Most people already have the ambition, drive, and desire needed to make a fortune. And the know-how can be easily obtained. What almost everyone lacks is CAPITAL. Once a person obtains the needed capital, he speeds ahead to a quick fortune.

Perhaps you already have an idea or plan for using borrowed money to make your fortune. If not, I've included many plans in this report. The bibliography lists several other business opportunities not given here which you should learn about.

All you need is one good idea or business to make you rich, plus enough capital to get it going. The vehicle you choose for making money is your individual choice. For now, let's see how you can get the money you need.

Some of the methods for raising capital are "unusual" or "creative" but none are illegal. A few are to be considered as last resort methods and devices of desperation. Obviously, it's best to plan your program and raise the capital on the most favorable terms. Here you will find an assortment of methods so that almost anyone can obtain the necessary money to start or expand a business.

### PERSONAL LOANS

The first option you have is to borrow money through your bank. A personal loan, if you've established good credit, is far easier to obtain than a business loan *if you're starting a new business.*

Banks, as a general rule, will only loan you \$5,000 to \$30,000 for your first business loan. Even then you may not qualify without collateral or business experience. With a personal loan, your interest rate may be a little higher, but it is relatively easy to qualify.

When you apply for a personal loan, you must tell the bank your purpose for the loan. Do NOT tell the bank you are going to buy or start a business. If you do, they will refer you to the *Commercial Loan* department where requirements differ and are much stricter. Tell the bank you're going to use the money for home improvements, for auto repairs, or any other personal use. It is not illegal or dishonest to "change your mind" after you get the loan.

If necessary, you can even get a co-signer. Their earnings are checked less closely than yours! If you don't want to use your friends and relatives, then do this: *Pay a co-signer!* It's not illegal. Of course, you may have to sell him on the idea, but it can and has been done before.

Here's an angle: Run an ad in your paper offering to pay a finders fee for securing a loan. Just make *co-signing the loan* part of the requirement to collect the finders fee. It's psychological. The same people who would refuse to co-sign for a fee will, oftentimes, co-sign to collect a "finders fee."

## HOW TO GET \$30,000 WORTH OF PERSONAL LOANS

You can get *multiple personal loans* by using the next technique. If you can't get the money you need from one source, then spread your loan out with *several* lenders. Naturally, banks should be the first choice, but finance companies can also be used. Here's how to do it:

- 1) Obtain a \$5,000 personal loan application at six different banks
- 2) Fill out each application
- 3) Mail ALL applications on the *same* day
- 4) If you receive loans from all six banks, then deposit the checks into one bank
- 5) Make your investment

Thus, by filling out all the applications and mailing them on the same day, you can honestly make out the applications without stating you have loans from the other five banks – since they are still pending.

## BUSINESS LOANS

Unless you already have a *going* business, you can forget about using banks as a loan source. Although it is possible to get the money, it's not easy. But get this: *A going business need not be profitable to get a business loan!* I know that sounds crazy, but that's the way it is in the world of finance. Your business could be losing money, but your chances of getting a loan are far greater than if you are starting a new business.

Later in the book you will see how to take over unprofitable businesses. Once you do this, you can approach banks for business loans with an *excellent* chance of being accepted.

## **U.S. GOVERNMENT WILL LEND YOU \$150,000**

If you find you cannot secure business start-up capital through conventional sources, you may qualify for a Small Business Administration loan. The SBA will provide capital or guarantees to new and established businesses. Direct loans are hard to get but they range to a maximum of \$150,000. 90% loan guarantees up to \$350,000 are much easier to obtain if you meet the basic qualifications. For complete details, contact the SBA office listed in the nearest big city telephone book. Or, write to: Small Business Administration, Washington, DC.

Of course there are many other types of government loans and programs and the best book on the subject is the **ENCYCLOPEDIA OF U.S. GOVERNMENT BENEFITS**. It is a massive hardcover book of over 1,000 pages which tells you just about everything you need to know about your government benefits, loan sources, etc. Write to the publisher: Wm. H. Wise & Co., Inc., Union City, New Jersey, for the current price.

## **BORROW FROM \$500 – \$15,000 WITH NO INVESTIGATION**

In as little as five minutes, and without particular regard to your financial ability, place of employment, or even the purpose of the loan, the *Provident Loan Society* of New York will lend amounts as high as \$3,000 to deserving individuals.

This semi-philanthropic organization will consider any borrower with coins, jewelry, furs, silverware, etc. Furthermore, they only charge 1½% interest for each month their money is used and levies charges only upon the number of days the money is actually used.

A borrower is not under any obligation to repay his loan and the Provident organization will even extend loans for another year. They will also increase loans amounting to less than the collateral value of the item pledged.

Although all offices are located in the New York City area, it isn't necessary for you to go to any office since Provident, with *no investigation* of you in any manner, will lend you money by mail. Property can be sent by mail, express, courier, etc. Once the Society has appraised the item, they will send you a loan ticket together with their check.

Provident will never lend you more than the value of your items, and they hesitate to lend money on general merchandise such as clothing, electronic equipment, musical instruments, etc.

Here is a list of Provident's main offices. The first address is their executive office:

**Provident Loan Society, Inc.**  
346 Park Avenue South  
New York, NY 10010

**OFFICES:**

172 Fulton St., NYC 10007  
135 E. 43rd St., NYC 10017  
168-32 Hillside Ave., Jamaica, NY 11432  
2573 Decatur Avenue, Bronx, NY 10458  
2240 Church Ave., Brooklyn, NY 11221

Some of the following organizations make loans with NO INVESTIGATION, according to their advertising. Most of these firms will loan up to \$15,000 to \$25,000 on unsecured notes to professionals, military officers, and business executives. Many loan to other individuals who have HIGH earnings and a STABLE background history.

**Nationwide Finance Corp.**  
Suite 927, 1660 S. Albion St.  
Denver, CO 80222

**Finance America VIP Service Corp.**  
2917 S. Western Avenue  
Oklahoma City, OK 405-631-4401

**Postal Thrift Loans**  
703 Douglas Street  
Sioux City, Iowa 51102

**Whitney Harris Financial**  
6800 1st Security Bldg.  
SLC, Utah 84111

**Beneficial Executive Loan Service**  
2858 Stevens Creek Blvd.  
San Jose, CA 95128

**Avco Colorado Industrial Bank**  
P.O. Box 31225  
Los Angeles, CA 90031

**Commercial Credit Corp.**  
55 Madison Avenue  
New York, NY 10022  
212-679-7725

**C.I.T. Financial Corp.**  
650 Madison Avenue  
New York, NY 10022  
212-572-6500

**Bankers Investment Co.**  
Bankers Investment Bldg.  
Hutchinson, KS 67501

**Dial Finance Corporation**  
2007 S. Main St.  
P.O. Box 2321  
Santa Ana, CA 92717  
714-556-0810

**Capital Financial Service**  
Suite 208, 1930 S. Hill  
Oceanside, CA 92717

**S.F.C.**  
1561 S. Green River Road  
Evansville, IN 47715



## HOW TO GET \$5,000 to \$50,000 SENT YOU BY REGISTERED MAIL

Yes, you can get instant cash by mail *without showing up for an interview* and also within as little as 30 days. You could receive a certified check sent by registered mail within 30 days after your application is received. Furthermore, it's possible to get a yes or no answer by phone within 24 hours!

You can receive up to \$50,000 in cash with a seven year term. The good part is that you pay **ONLY** the interest for seven years. At the end of that time, you pay the full amount of the principal due, or refinance for *another* seven years!

Additionally, providing you have "liquid" collateral, you pay only 6% *simple interest* if your loan is approved. To receive a business loan application, send \$48 for a two year subscription to the newsletter, *INTERNATIONAL WEALTH SUCCESS*. Send to: AFS, P.O. Box 1428, Lilburn, Georgia 30247.

Subscription is recommended, but is not a requirement to receive an application. If you want the application without subscribing, you must enclose \$2.00 and a stamped, self-addressed envelope with your request.

## HOW TO BORROW AS MUCH AS \$1,250,000 IN 45 DAYS

A *compensating balance* is a deposit you make with a bank as an "inducement" for a loan. The amount of deposit required varies from one bank to another, but in many cases it is only 20% of the loan.

In other words, if you were to place a sum of money in a bank as a compensating balance for a business loan, you could borrow 5 times that deposit with banks requiring a 20% deposit. Of course a lot depends on the current money market conditions and the stability of your business as to whether you would qualify for a 20% deposit CB loan. But, even if your banks require 50%, you can still work the following plan.

### How to pyramid loans

If you were to borrow, for example, \$7500 from any source and place it in the bank as a compensating balance, you could borrow *five times that amount* with banks requiring a 20% deposit. Five times \$7500 means you could borrow \$37,500. Then you can go to another bank and deposit that \$37,500 as a compensating balance. This time you borrow five times \$37,500 which is \$187,500.

You've already been shown how to generate enough credit to borrow tens of thousands of dollars overnight. Assuming you borrowed \$50,000 with the checking account overdraft system (to be discussed later), you could pyramid this amount through two commercial banks. You could

walk out with as much as \$250,000 from the first, and \$1,250,000 from the second. (In actual practice, it would be necessary to scatter your final compensating balance through more than one bank since the amount is so large).

## HOW TO RAISE \$15,000 to \$65,000 IN 3 DAYS

Millions of credit card holders in the United States carry at least six cards, while 20 – 30 is not unusual. The average credit limit on each of these cards is around \$500. Given these figures, you can see how most cardholders have the ability to charge over \$15,000 worth of merchandise legally.

In addition, the *ceiling limits* on these credit cards simply cannot be policed. For instance, if you exceeded your limit on 30 to 40 cards, you could charge up to \$30,000 in a few days. If we add the high credit limits available with the Travel & Entertainment cards to this figure, the total would skyrocket to \$65,000 or more. American Express, for example, has an upper limit of \$20,000!

There is nothing illegal about exceeding your credit limit on these cards within reasonable limits. Neither is it illegal for you to re-sell the merchandise. With virtually all credit cards, legal title to the merchandise passes to you once the sales clerk accepts your card. That is the *legal loophole* which enables you to convert your merchandise into investment capital. Here's exactly how it's done:

- 1) Charge "open" airline tickets – those without specific flights or names
- 2) Charge Gift Certificates at department and chain stores
- 3) Charge gold coins, gold & silver bullion
- 4) Charge merchandise, then return it for a *merchandise credit slip*. This is *negotiable paper* which can be used by anyone for future purchases
- 5) Obtain the full limit of cash advances available to you.

Next step – you turn around and sell all this negotiable paper and merchandise to your friends, relatives, neighbors, etc. Since you will be offering at least a 20% discount, they will be fighting amongst themselves for the bargains you offer. Needless to say, you must make certain your planned "investment" is a sure thing which will yield a higher return than the 20% loss you suffer.

## RAISE \$50,000 OVERNIGHT ON YOUR SIGNATURE ... and keep it as long as you like!

Here's another valuable secret I would like to share with you. The best part of this plan is that you can *keep the \$50,000 for as long as you like!* You will need to pay only the interest, and even that can be postponed.

To get started, you must locate several banks which offer checking accounts with *automatic overdraft protection*. An overdraft account is one in which the bank automatically covers any bad checks you write *with a bank loan*. Of course each bank will have its own name and requirements for this service, but they all operate about the same.

Once you have qualified for these loans, you can raise \$50,000 *instantly*, or "overnight." Sometimes you can qualify for these accounts strictly on your personal credit rating. Then again, some banks may require you to first establish a checking account, or perhaps even a savings account.

*Here's how to raise \$50,000 overnight:* There are no laws saying you cannot have more than one overdraft account. In some cities, as many as 25 different banks offer this service. Assuming your city has only 10 banks offering \$5,000 limits, you will still have \$50,000 available *on just your signature*. And these high limits are by no means rare. In fact, I've been told that at least one California bank, the Bank of America, offers up to \$15,000!

While most banks will not give you the maximum credit limit right away, you can work your way up to it eventually. If you intend to use the 30-day plan for establishing credit, then you may qualify for the maximum credit limit of overdraft protection. How? Simply by selecting *only* banks which offer overdraft accounts when you work the borrowing plan.

Thus, you now establish a checking, savings, and paid-up loan record at each bank. And for this purpose, you should deposit and borrow \$400 at *every* bank offering overdraft accounts rather than only three.

Naturally, your credit score and especially your salary, will be the ultimate factors the bank uses to determine your maximum credit limit. However, these requirements should pose no real problems for you. (See: How to Create Work Records, Diplomas & Degrees).

Most banks permit you to make applications by mail and some do not even ask if you have similar accounts at other banks. It is NOT advisable to inform the banks of your other accounts since they may believe you will become overextended. It is best to space your applications a few weeks apart and simply "forget" to list your other overdraft accounts.

In case you do not live near a large city which offers overdraft accounts, don't worry. It's still possible to open accounts with certain banks by mail within your own state. There are also several other sources for overnight capital available to you, so you will not have to rely on just one method.

**Keep your \$50,000 for as long as you like!**

Most banks theoretically require you to pay back 1/20th of your overdraft balance each month. Incredible as it may seem, many banks do not enforce this rule. And as long as you do not exceed your credit limit, you are not forced to pay back either the principal or the interest.

For those banks which require payment, there is still a way to keep the \$50,000 indefinitely. The method involves keeping one or two of your accounts *unused*. From these, you make your monthly payments to the other banks. The following example explains the technique a little better. Here, the sum of \$30,000 is used, but you can borrow more or less money using the same method.

Let's assume you go ahead and write yourself a loan of \$5,000 from each of the six banks. Meanwhile a seventh account with a limit of \$5,000 is left untouched. The following month, you receive your monthly bank statements totaling \$1500 in principal. From your untouched account you will write six checks totaling \$1500 and pay your first month's payments on the six accounts. NOTE: You always pay the *full amount due* – not the minimum payment.

The next month, you will again make a total of \$1500 in principal payments from your seventh account to your other six. This time, however, you will also make your first payment on the *seventh account* from some of the other six. Repeat for a third month and then reverse the procedure. All you are really doing is shifting your loans back and forth between banks. This method can also be used to postpone paying the interest, if necessary.

Can you see the incredible potential you now have? You can place up to \$50,000 in any sort of investment you choose – *for as long as you like!* Of course, your interest will still accrue, but interest is *tax-deductible*. If your banks charge you 18% interest and you're in the 50% tax bracket, you will pay an effective interest rate of only 9%. And there are many investments that yield returns far higher than 9%.

### **Other sources of overnight capital**

Another good source for instant loans is with MasterCard and Visa. Both of these card companies offer their own special checks which enable you to make a cash loan simply by writing yourself a check billed against

your credit card. Many readers by now probably have received samples of these checks with their monthly statement. They look just like normal bank-issued checks. They offer more convenience than the cash-advance method whereby you have to go to a window to obtain your instant loan.

Although the interest rate is usually higher than for regular bank overdraft loans, these checks offer the same benefits. That is, you have the same 20 month repayment schedule, the same lax enforcement of regular monthly payments, and the same opportunity to work the above technique.

Some banks offer American Express "Executive Credit." Under this plan, you can apply for a "Gold Card" if your salary is around \$17,000 yearly. This card also offers a special check privilege with a \$2,000 limit.

There are still many more methods of raising cash quickly. For instance, once you have established a good record of paying back bank loans, you can get signature loans almost at will. I personally know of one individual who used the multiple loan technique to borrow over \$65,000 on about 15 unsecured notes.

## HOW TO BORROW MONEY INTEREST-FREE

### How to borrow up to \$25,000 – \$100,000 interest-free

As explained earlier, Visa and MasterCard have begun offering Special Checks on which you can write yourself a loan. The first of my plans for borrowing money interest-free requires locating a bank offering Special Checks with a *free 30 day grace period*. These grace periods work about the same as regular credit card merchandise purchases. That is, you can pay back your balance by the due date and avoid finance charges.

*How to do it:* Write yourself a special check up to your credit limit. You now have your money to do with as you please. Once you have received this loan, the check will go to the credit card center and appear on your next monthtly statement.

To continue the loan indefinitely: Deposit *another* special check into your checking account and at the same time, write a *personal check* to the credit card company – before the statement closing date. This will pay off the previous month's loan. Just repeat the procedure every month and you can borrow the money *for as long as you like!*

It is doubtful if any of the banks listed on the next page will offer special checks or credit cards to individuals out-of-state, or any distance from their location. You must check with the banks in YOUR AREA to see if they offer special checks with a grace period.

## Special Checks

Visa Center  
Box 2828  
Roanoke, VA 24041

Central Bank of Alabama  
MasterCard Center  
P.O. Box 2007  
Decatur, AL 35601

Seattle First National Bank  
P.O. Box 3993  
Seattle, WA 98124

## Cash Advances

Security National Bank  
of Nevada  
Box 171  
Reno, NV 89504

First National Bank  
of Nevada  
P.O. Box 11250  
Reno, NV 89510

Pioneer Citizens Bank  
Box 2351  
Reno, NV 89505

Although Visa and MasterCard have an upper limit of \$9,000 on their cards, you can only expect to receive an opening limit of about \$1,000. You must *request* a higher limit later, after you have used your cards for awhile. Most people should be able to eventually work their way up to \$3,000. Others, such as *professionals with high salaries*, can work up to the full \$9,000 limit.

If you live in an area where more than one bank offers these special check features, you may be able to get MULTIPLE CREDIT CARDS under the same name. Then you could borrow, \$6,000 to \$25,000 or so interest-free!

## DIRECT SOURCES FOR INTEREST-FREE LOANS

American Business Club, 4N270 Randall Road, St. Charles, IL 60174  
Hebrew Free Loan Society, 205 E. 42nd St., New York City, NY 10017

## OTHER METHODS FOR OBTAINING INTEREST-FREE MONEY

Rest assured that the special check plan already discussed is 100% legal in every respect. There is another method, however, which is only suitable for short term interest-free loans. This variation is perhaps "borderline legal." Although it resembles "kiting" it is not. With kiting, you write checks against non-existent money. With this plan, the money is in the bank and is *yours* under a legal contract. Here's how it works:

This plan consists of using a variation of the overdraft checking account plan. Instead of borrowing \$50,000 from ten overdraft accounts, you borrow instead from only *half* the banks. Write yourself checks

totaling \$25,000 and invest the money wherever you choose. Three days later, pay off the first five banks with checks from the second five banks. Reverse the procedure every three days and you can keep your original \$25,000 interest-free for an indefinite period.

The idea behind the plan is to pay off your overdraft checks *just before* they are received by the banks. By covering each withdrawal with another deposit, you will not be charged interest. Remember, once you qualify for an overdraft account, that money is legally yours to use — and to write checks against as you see fit.

Of course, you will have to determine the exact clearance time for your checks in advance. You may be able to write checks more or less frequently, depending on the speed at which your banks process checks. By “filtering” your checks through a couple of out-of-state banks, or a foreign bank, you can delay clearance even longer.

Admittedly, this method would only work for short term investments of 30 to 60 days even if you use an out-of-state or foreign bank. Using local banks means you probably couldn’t get away with it for a week or two before the banks became suspicious. And although this method CAN and has been done by many, there are much better methods of obtaining interest-free money which have nothing to do with banks.

As an example, some finance companies will loan you money from 10 to 30 days without interest. This is a sort of *free trial period* at the end of which you can return the money and owe nothing else. Of course these methods too are somewhat limited, but offer interesting possibilities when combined with other methods. In my opinion, the best method of securing interest-free money for a business (and perhaps becoming filthy rich in the process) is to sell *stock* in your own corporation.

## **Make a Million this year**

Any properly organized corporation can sell stock to the public. YOU personally can sell the stock as an officer of the corporation if you like. Or, you can hire an underwriter to do this for you. Remember, the money you receive from a public stock offering:

- 1) **Is interest-free**
- 2) **Is tax-free**
- 3) **Doesn’t have to be repaid**
- 4) **Will pay YOUR salary**
- 5) **Can make you RICH**

Let’s say that you decide to form your own corporation to start and finance your business. As part of your corporation charter, you authorize an issue of one million shares of stock at *no par value*.

As founder of the corporation, you take 350,000 shares of stock. You reserve 300,000 shares for public issue which you plan to sell for \$1.00 per share. The remaining 350,000 shares remain with the company for possible future sales.

You and perhaps other officers of your corporation sell, say 90,000 shares of stock to the public. By this time, a small brokerage firm hears of your stock and asks you to transfer the right to sell the remaining shares. If you agree, he will probably take about a 20% commission to cover his expenses. Thus, you *immediately receive \$168,000!*

Once your firm starts doing business, issuing earnings statements, and perhaps starts construction of a factory, things begin to happen. As publicity for your corporation increases, more people buy your stock. Your broker keeps in touch as the *Bid Price* continues to rise.

Then, one day some months later, your broker calls and tells you the bid price is up to *\$3.00 a share!*

You almost faint at the news. Why? Because you own 350,000 shares of stock which are *now worth \$3.00 each!* YOU are now worth *\$1,050,000*. Plus, you still have whatever is left from your personal and stock broker sales (originally \$258,000). This money can be used to continue expanding your business, to pay your salary, travel expenses, and so on.

This scenario is by no means rare. In fact, often a stock issue will rise even higher than this example. The key is getting *lots of publicity*.

Because the Securities regulations are so complex, you will definitely need legal help to prepare your stock offering. But, you can get a lot of free information from the United States Securities & Exchange Commission. You can also form your own corporation without a lawyer by securing a copy of Ted Nicholas' book, *How to Form Your Own Corporation Without a Lawyer for Under \$50*. It's available direct from the publisher: Enterprise Publishing Company, 501 Beneficial Building, Wilmington, DE 19801.

## The Penny Stock Route

Another way to go is the *penny stock* route. By issuing stock at a dime a share, and keeping the financing to \$50,000 or less, you can go public *without SEC registration*. To sell penny stock, you issue 100 share lots (\$10.00 a throw) and then start the whole town trading in it. Sell it at fairs, to businessmen, housewives, professional people, etc. Almost everyone will take a flyer if they know about it. Again, the key is getting lots of publicity. There is NO INTEREST on this money, and it need not be paid back.



## The letter Stock Angle

If you have a small corporation, you might work the *letter stock* angle. In this system, you arrange for a private loan, and for a sweetener to make it interesting, you give the lender some letter stock, which is the *right to buy* a given number of shares of stock once you go public with your corporation. Under this arrangement, stock may or may not be offered in lieu of interest, but you will probably have to set a date for the public offering. This method allows you, in effect, to sell stock without SEC approval since it is only a *promise*, not actual shares.

To give you an idea of how lucrative this can be to the lender — if they lend you \$10,000 and get the letter stock for the right to 10,000 shares of stock, at say \$2.25 per share, then when you go public at say \$5.00 a share, they get \$50,000 in stock value. This they can sell and realize \$27,500 in net profit on their investment.

## The Credit Card Method

The credit card scam is an unethical, if not illegal, method of getting money for a business, but it has been done. You arrange with friends or relatives to purchase something from you for the limit of their credit card liability the day AFTER the due date on their cards. Thus, they won't get billed for 30 days, and they have another 30 days to pay. At the end of 45 days, they return the merchandise and you give them credit on their cards for the amount. In this way you have use of the bank funds (who sponsor the credit cards for 45 to 60 days), and can work it all over again if the bank doesn't close you out.

## The Tax Dodge Method

The tax dodge method can be worked on occasion. If you have a fat loss on your books, you form a limited partnership with some high income people at the end of the year. Let them take the loss from their incomes and put half back into your venture after the first of the year as investments. This way, they are only risking government tax money. Example: say you can show \$100,000 loss. Get five partners to take \$20,000 each of the loss from their income (a \$20,000 bonus for them), then after the tax year is over, they can put \$10,000 each into the business which would then be incorporated and stock issued.

## Interest-Free Tax Loan

You can get a 60 day loan on your income taxes from Uncle Sam. Assuming you earn \$20,000 or less and use the standard deductions, just send in your tax forms and ask the IRS to figure your tax for you.

It will take them about 30 days to figure it out and mail you a bill. Then you have another 30 days to pay it.

### **Other sources for interest-free loans**

A source for interest-free emergency loans (for NYC residents only) is from the Hebrew Free Loan Society, 205 E. 42nd St., New York City, NY 10017. This source will loan money with no interest charge at all. Furthermore, you don't need a job or collateral, just two co-signers.

You can also get free cash and loans from many of this country's *Foundations*. These are non-profit institutions which are granted their tax-status for performing humanitarian services. In the listing of capital sources, many foundations are given.

In all, there are over 5,000 foundations available with different requirements for obtaining their money. Look for *The Directory of Foundations* in large city libraries. If it's unavailable, you can purchase it direct from Columbia University Press, 562 W. 116th St., New York City, NY 10025.

We offer a large 496 page course on where and how to go about obtaining *grants* from foundations. See the bibliography for details.

## SECTION FOUR

### HOW TO RAISE TREMENDOUS AMOUNTS OF CAPITAL — UP TO \$50-Million

Already you have been shown enough methods to increase your borrowing power dramatically, even if you started out flat broke. The following information and the accompanying capital sources directory will assist you in securing larger business and real estate loans.

#### YOUR WRITTEN PLAN

Many of the methods explained will require preparation of a *written plan*. All lenders must know exactly where and how their money is going to be spent. It isn't always necessary to engage the services of an attorney or accountant either. You simply write out the basic plan and include the following information:

- 1) How much capital is needed
- 2) What is the purpose of the loan
- 3) How will repayment be made
- 4) Your experience, education, or other qualifications helpful in the venture
- 5) What percent of interest return can the investor expect
- 6) How is his money protected: Collateral, other securities, your own personal liability?
- 7) What other precautions are you taking?

If capital is sought by a company or corporation, prepare *two* financial statements. One will list your current financial condition, and the other will be a projected financial statement indicating the financial net worth of the business in "X" number of years after receiving the capital. The projected financial statement is called a *pro forma* statement.

#### PRIVATE MONEY RAISING METHOD

This method of raising capital consists of placing a classified ad in the business opportunities section of your Sunday newspaper. Here are a few examples:

*WILL PAY . . . % interest on small loan  
for a short period. Sound collateral. (Your  
name & phone number)*

*WANTED . . . man with vision. Can share in lucrative, sound business. Will give . . . % interest in business or will promptly repay loan with . . . % interest. Write: . . .*

*OPPORTUNITY to invest in expanding business. I have . . . years experience. Write for confidential details. Box . . .*

Of course, if you live in a small town you should try the nearest big city newspaper. Advertise in the “Business Opportunities” or “Capital Wanted” section of the paper. If you have ever read these ads, you’ve seen other people’s ads. This proves it works.

## **SELL STOCK WITH OR WITHOUT SEC REGISTRATION**

### **Private issue method**

You can make a private (non-advertised) offering of shares of stock in your corporation without registering with the Securities and Exchange Commission. If you are an officer of the corporation, you can sell the stock yourself without going through a stockbroker.

The number of people who can be approached for the private sale of stock is twenty five. Any more and it is considered a public offering.

### **Intra State Offering**

By offering stock for sale to *only* the residents of the corporation's home state, you can also avoid federal SEC registration. You will be required to *notify* the SEC in your area of the intended sale. The only exception is if you incorporate in Delaware. It is the only state I know of that has no SEC office.

Any investors in an intra-state offering should sign an agreement which states the stock is for investment only — *not for resale*. Otherwise you could be in big trouble if they sold their stock out-of-state.

### **Public Offering**

Contrary to popular belief, a corporation does NOT necessarily need to be well established in order to go public with its stock. Many companies in the past have sold stock before they began any business activity — in fact, they literally financed their start by selling stock.

If you need huge amounts of business capital, this may be an effective method for you. It should be understood, however, that many times

there are high expenses involved in preparing and marketing a prospectus. It will be necessary to seek professional advice from an attorney specializing in this field.

If the amount of capital sought is under \$500,000, you may qualify for a Regulation "A" registration. It is somewhat shorter and less costly than the "long form" type.

## **MONEY BROKERS**

A money broker is one who brings a borrower and a lender together for a fee. The advantages of dealing with a money broker are multiple. For instance, with conventional financing the usual mortgage deal requires that you put up one dollar for every three dollars the lender puts up. But with a money broker, you usually put up *zero dollars* for every dollar the broker's lender puts up.

In addition, broker loans can be obtained *faster, with little or no collateral*, and usually *with less investigation*. Although the interest rates may be somewhat higher than with other money sources (10% is a typical charge), broker money certainly should be considered.

One of the few reputable money brokers I know of is: *Richard Brisky, NAFCO, P.O. Box 1, Ischua, NY 14746*. This firm also offers a co-broker program if you ever decide to become a money broker yourself.

## **HOW TO RENT COLLATERAL**

It is common practice in the world of finance for one firm or individual to *borrow* collateral from another. You pay the company a specified rate of interest for their "collateral renting service."

The collateral you rent can be stocks, bonds, letters of credit, leases, and so forth. You can obtain enough collateral for several thousand or even *several hundred thousand dollars* in loans with this method!

Although the borrower usually does the advertising, sometimes you will find an individual who actively advertises that he has collateral to rent. For instance, one person recently advertised in a major financial publication and offered to rent high-grade municipal bonds for 3.5% interest per year. Thus, your rental fee for each thousand dollars of collateral would only be \$350 per year.

## **SALE-LEASEBACK**

If you own a business or plan to acquire one, the sale-leaseback plan can enable you to raise operating capital. This method is being offered by certain firms who directly advertise this service, and by many other corporations who offer it on a less publicized basis.

The basic plan consists of selling either a complete business or selected equipment to a sale-leaseback firm. The company agrees to purchase the equipment and lease it back to you — on a straight lease or lease-purchase agreement. This gives you cash-in-hand to meet your immediate operating expenses.

## FACTORING

If you take over a business which has money owed to it (accounts receivable), you can sometimes use your receivables for collateral. A *factor* will lend money against well-rated accounts.

*Note discounters* will buy these contracts straight out at a discount. This also enables a business to raise operating capital quickly.

## LIMITED PARTNERSHIP

A limited partnership is a popular method frequently used to finance real estate and other business ventures. With this set-up, two or more *general partners* operate the business. The *limited partners* do not have a voice in the operation of the business. Instead, they make investments in the partnership.

The amount you can raise with this method may exceed \$50-Million! Naturally, the amount will depend on the number of participations sold, the price per participation, and the selling expenses involved. Although the steps are basically simple, you will need an attorney to help you form and market your LP.

To sum up, if you want a *fast* method of raising real estate funds, *easy legal requirements*, and the *control of your project*, then a limited partnership set-up may be for you.

## FOUNDATIONS

Assistance in financing distressed persons, researchers, writers, those seeking grants, scholarships, and even business loans is available from tax-free foundations. To maintain their tax-exempt status, foundations generally are required to perform some type of service which benefits mankind.

Foundations do not necessarily have to be located in your area for you to apply for funds, but it is best to contact the nearest ones first. Oftentimes a foundation that cannot provide direct assistance will refer you to other organizations that can, especially if you are seeking funds on a personal basis.

Many foundations have limited areas in which they provide assistance. We have done our best to select those which are the most liberal in their policies. You may still have to write to several before finding one willing to help.

## **GOVERNMENT LOANS**

Because of the diversity of Federal loan programs, we cannot go into detail on the many programs available. Most of the details on the various programs can be acquired free from your local Small Business Administration and other government agencies.

## **STATE BUSINESS LOANS**

All of the states have an *industrial development board* of some type which encourages business activities in the state. Such a development board can arrange 100% financing of plants, or lend money for equipment and machinery.

Some state business loan agencies lend only to well established businesses or to out-of-state businesses they are trying to attract. But it is certainly worth giving them a call to find out if you qualify.

## **VENTURE CAPITAL**

These firms will finance many unsecured ventures that a conventional bank wouldn't dream of handling. They get all kinds of offers and propositions, so don't be afraid to make your proposal. If it is any type of business activity, they will consider it.

## **SMALL BUSINESS INVESTMENT COMPANIES**

SBIC's are private concerns which are licensed and partially financed by the federal government to lend or invest money in small businesses. They are generally more flexible in their policies than banks and other sources of financing.

SBIC's will consider applications for financing from socially and economically disadvantaged entrepreneurs. The Minority Small Business Investment Companies usually make all their investments in this area.

## PERSONAL & BUSINESS LOAN SOURCES

Gefco  
7551 West Alameda Ave.  
PO Box 5555  
Denver, CO 80217

J.C. Penny Financial Corp.  
Box 3999  
Wilmington, DE 19807  
302-652-3801

Dial Finance  
418 Seventh St.  
Des Moines, Iowa 50390

Associates Financial Serv.  
1030 E. Jefferson St.  
South Bend, IN 46612

Transcon Finance Corp.  
Ft. Worth Club Bldg.  
306 West 7th St.  
Ft. Worth, TX 76101

Postal Thrift Loans, Inc.  
703 Douglas St.  
Sioux City, IA 51102

Westinghouse Credit Corp.  
933 Penn Ave.  
Pittsburgh, PA 15222  
412-255-4190

Aetna Business Credit, Inc.  
530 North Water  
Milwaukee, WI 53201  
414-272-3102

Union Finance Company  
PO Box 7457  
3608 N. 16th St.  
Phoenix, AZ 85011

Postal Finance Co.  
814 Pierce St.  
Sioux City, IA 51102

American Investment Co.  
Maryland St.  
St. Louis, MO 63105  
314-725-7575

Local Loan Company  
1415 West 22nd St.  
Chicago, IL 60521

Liberty Loan Corp.  
7711 Barnum Avenue  
St. Louis, MO 63105

Public Loan Co., Inc.  
PO Box 1568  
Binghamton, NY 13902  
607-729-9331

American Credit Corp.  
PO Box 2665  
Charlotte, NC 28234  
704-333-7791

Local Finance Corp.  
368 Marion St.  
Marion, IN 46952  
317-668-8155

Boise Cascade Corp.  
One Jefferson Square  
PO Box 50  
Boise, ID 83728

International Acceptance  
3003 N. Central Ave.  
Suite 2312  
Phoenix, AZ 85012

General Motors Accept.  
767 5th Ave. North  
New York, NY 10022

Mack Financial Corp.  
1501 Beaver Ave.  
Allentown, PA 15233  
412-237-6060

C.I.T. Financial Corp.  
650 Madison Avenue  
New York, NY 10022

Ford Motor Credit Corp.  
Americas Road  
Dearborn, MI 48121  
313-322-8055

Credit-Thrift Financial  
601 N.W. 2nd St.  
PO Box 59  
Evansville, IN 47701

Household Finance Corp.  
130 E. Randolph Drive  
Prudential Plaza  
Chicago, IL 60601

Chrysler Financial Corp.  
900 Tower Drive  
Southfield, MI 10023  
212-879-3000

Borg Warner Acceptance  
One I.B.M. Plaza  
Chicago, IL 60611  
312-329-6500

Commercial Credit Co.  
300 St. Paul Place  
Baltimore, MD 21202

Associates Corp. of Amer.  
One Gulf and Western Pl.  
New York, NY 10023  
212-333-2300

I.T.T. Corp.  
PO Box E  
Thorp, WI 54771  
715-669-5405

John Deere Credit Corp.  
One East First St.  
Reno, NV 98501  
702-786-5527

Sears Roebuck Acceptance  
One Custom House Sq.  
PO Box 2028  
Wilmington, DE 19899  
302-656-9971

TransAmerica Financial  
1150 S. Olive St.  
Los Angeles, CA 90015  
213-742-4321

General Finance Corp.  
1301 Central Ave.  
Evanston, IL 60201  
312-869-9800

G.E. Credit Corp.  
570 Lexington Ave.  
New York, NY 10022  
212-750-2000

James Talcott, Inc.  
1290 Ave. of the Amer.  
New York, NY 10019  
212-956-3000

J.I. Chase Credit Corp.  
700 State St.  
Racine, WI 53404  
414-636-6011

Avco Financial Corp.  
620 Newport Center Dr.  
Newport Beach, CA 92660  
714-640-5200

Capital Finance Corp.  
5025 Arlington C. Blvd.  
Columbus, OH 43220  
614-459-1000

Clark Equip. Credit Co.  
Circle Drive  
Buchanan, MI 49107  
616-697-8000

Walter E. Heller Int'l  
105 West Adams  
Chicago, IL 60603  
312-346-2300.

Standard Financial Corp.  
540 Madison Ave.  
New York, NY 10022  
212-826-8000

U.S.I. Credit Corp.  
529 5th Ave.  
New York, NY 10017  
212-986-4710



Beneficial Corp.  
1300 Market St.  
Wilmington, DE 19801  
302-658-5171

International Harvester  
401 N. Michigan  
Chicago, IL 60611  
312-670-2000

Southwestern Investment  
PO Box 871  
Amarillo, TX 79167  
806-378-2400

Massey Ferg. Credit Corp.  
1901 Bell Ave.  
Des Moines, IA 50315  
515-247-2011

Singer Credit Corp.  
30 Rockefeller Plaza  
New York, NY 10022  
212-LT-1-4800

First Pennsylvania Finan.  
1500 Chestnut St.  
Philadelphia, PA 19101  
215-786-5000

Interstate Securities Co.  
3430 Broadway  
Kansas City, MO 64141  
816-753-5400

Honeywell Finance, Inc.  
Honeywell Plaza  
Minneapolis, MN 55408  
612-870-5200

Gamble Aldens Finan. Co.  
6245 Alahambra Cir. Dr.  
Chicago, IL 60602  
312-854-4200

Allstate Financial Corp.  
PO Box 2302  
Wilmington, DE 19899  
302-656-4444

Midland-Guardian Co.  
111 East 4th St.  
Cincinnati, OH 45202  
513-712-3777

White Motor Credit Corp.  
PO Box 114  
Rockland, DE 19732  
302-478-6040

American Express Credit  
401 Hackensack Ave.  
Hackensack, NJ 07601  
201-342-6750

Mercantile Mortgage Corp.  
1111 W. Jackson  
Chicago, IL 60604  
312-341-9640

Union Investment Co.  
30100 Telegraph Road  
Detroit, MI 48010  
313-647-8900

Appliance Buyers Corp.  
Benson Rd.  
Harbor, MI 49022  
616-926-5513

Amoco Credit Corp.  
PO Box 9014  
Des Moines, IA 50306  
312-856-7500

Ritter Financial Corp.  
Church Rd. & Greenwood  
Wuncote, PA 19095  
215-TV7-3200

Amoco Credit Corp.  
PO Box 9014  
Des Moines, IA 50306  
312-856-7500

Carte Blanche Corp.  
3460 Wilshire Blvd.  
Los Angeles, CA 90054  
213-480-3210

A.J. Armstrong Co., Inc.  
850 Third Ave.  
New York, NY 10022  
212-826-3000

Lane Wood, Inc.  
2020 Davis Bldg.  
1309 Main St.  
Dallas, TX 75202  
214-744-1671

Associated Credit  
417 Fifth Ave.  
New York, NY 10016  
212-677-8700

Diners Club, Inc.  
10 Columbus Circle  
New York, NY 10019  
212-245-1500

Fidelity Acceptance Co.  
910 Plymouth Bldg.  
Minneapolis, MN 55402  
612-370-8711

Inter'l T & T Corp.  
1900 Hempstead  
E. Meadow, NY 11554  
612-370-8711

N-West Acceptance Corp.  
PO Box 14490  
Portland, OR 97214  
503-222-7920

Maстан Company, Inc.  
645 Fifth Ave.  
New York, NY 10022  
212-355-2330

Kentucky Finance Co.  
131 Cheapside  
Lexington, KY 40507  
606-255-6623

Sun Finance & Loan Co.  
1015 Euclid Ave.  
Cleveland, OH 44115  
216-696-7500

Rosenthal & Rosenthal  
1451 Broadway  
New York, NY 10036  
212-564-4500

Govt. Employees Finan.  
6911 Alameda Ave.  
Denver, CO 80217  
303-237-6911

Century Accept. Corp.  
103 Walnut St.  
Kansas City, MO 64106  
816-474-4750

Allied Finance Corp.  
PO Box 2998  
Dallas, TX 75221  
214-748-9261

Cessna Finance Corp.  
PO Box 308  
Wichita, KS 67201  
316-685-5456

Commercial Discount Cc  
55 E. Monaca Dr.  
Chicago, IL 60603  
312-781-7581

D.A.C. Corp.  
PO Box 1225  
Jacksonville, FL 32201  
904-398-7581

## FOUNDATIONS

Lakeside Foundations  
155 Sansome St.  
San Francisco, CA 94104

Marshal Foundation  
PO Box 3306  
Tucson, AZ 85700

Meadows Foundations  
Meadows Bldg.  
9th Fl. C. X'way  
Dallas, TX

Packard Foundation  
26580 Taafe Ave.  
Los Altos, CA

Putnam Foundation  
PO Box 323  
Keene, NH 03431

Six Foundation  
521 Royal St.  
New Orleans, LA 70130

The Windham Foundation  
Grafton, VT 05146

Tozer Foundation, Inc.  
Stillwater, MN 55082

Trinity Foundation Trust  
225 Franklin St.  
Boston, MA 02106

The Poytner Fund  
PO Box 625  
490 First St.  
St. Petersburg, FL 33731

The Pren-Hall Foundation  
229 S. State St.  
Dover, DE 94022

The Chance Foundation  
210 N. Allen St.  
Centralia, MO 65240

The Mitchell Foundation  
PO Box 1126  
Mobile, AL 36601

The Carpenter Foundation  
PO Box 816  
Medford, OR 97501

The Boehnn Foundation  
1716 Locust St.  
Des Moines, IA 50303

The Self Foundation  
Drawer 1017  
Greenwood, SC 29646

The Seattle Foundation  
1425 - 4th Ave.  
Room 520  
Seattle, WA 98101

The Norfolk Foundation  
400 Roysten Bldg.  
Norfolk, VA 23510

Watson Foundation  
220 S. Main St.  
Providence, RI 02903

Cessna Foundations, Inc.  
5800 E. Pawnee Rd.  
Wichita, KS 57218

Cooper Foundation  
325 Stuart Bldg.  
Lincoln, NE 68508

Dawson Foundation  
PO Box 2714  
Las Vegas, NV 89104

1st Boston Foundations  
225 Franklin St.  
Boston, MA 02116

Garlord Philanthropies  
PO Box 25125  
Oklahoma City, OK 73125

Grant Food Foundation  
6900 Sheriff Road  
Landover, MD 20785

Herscher Foundations  
PO Box 393  
Charleston, WV 36601

Harris Foundations  
PO Box 300  
Johnson City, TN 37602

## VENTURE CAPITAL

Paine Venture Fund  
24 Federal St.  
Boston, MA 02110  
617-482-9600

American Science Assoc.  
1345 Ave. of the Amer.  
New York, NY 10019  
212-765-4771

Charter New York Corp.  
One Wall St.  
New York, NY 10015  
212-487-6101

Carr Management Co.  
445 Park Ave.  
New York, NY 10022  
212-752-0565

Frederick Adler, Esquire  
One Chase Manhattan Pl.  
New York, NY 10005  
212-269-7600

New England Enterprise  
28 State St.  
Boston, MA 02109  
617-742-0285

National Research Corp.  
70 Memorial Dr.  
Cambridge, MA 02142  
617-354-5400

Gunwyn Ventures  
14 Nassau St.  
Princeton, NJ 08540  
609-921-3633

Business Develop. Serv.  
570 Lexington Ave.  
New York, NY 10022  
212-750-3527

Millicap Corp.  
Wiggins Ave.  
Bedford, MA 01730  
617-275-8800

Yankee Capital Corp.  
77 Franklin St.  
Boston, MA 02110  
617-482-1040

Burnham & Co.  
60 Broad St.  
New York, NY 10004  
212-344-1400

Massachusetts Capital Co.  
One Boston Pl.  
Boston, MA 02108  
617-227-4660

Technology Search Assoc.  
1268 Main St.  
Waltham, MA 02154  
617-894-7455

Bessemer Securities Corp.  
245 Park Ave.  
New York, NY 10017  
212-986-6900

Becker Tech. Association  
60 Broad St.  
New York, NY 10004  
212-363-2864

John A. Andersen  
140 Broadway  
New York, NY 10005  
212-363-6300

Koch Venture Capital, Inc.  
45 Hancock St.  
Cambridge, MA 02139  
617-0480

## SBIC'S

Coastal Capital Co.  
100 St. Joseph St.  
Mobile, AL 36601

Asset Management Capital  
1417 Edgewood Dr.  
Palo Alto, CA 94301

Equilease Capital Corp.  
120 Bryant St.  
Denver, CO

The First Conn. SBIC  
177 State St.  
Bridgeport, CT 06604

Abbott Capital Corp.  
120 So. LaSalle St.  
Chicago, IL 60603

**COMMERCIAL BANKS**

Northwestern Nat. Bank  
101 S. Main Ave.  
Sioux Falls, SD 57101

First National Bank  
PO Box 1287  
Orangebur, SC 29115

Industrial Nat. Bank of RI  
1491 Atwood Ave.  
Johnston, RI 02919

Banco Credito y Ponceno  
241 Recinto Sur  
Ponce, PR 00905

1st Bank & Trust Co.  
Main & Market St.  
Mechanicsburg, PA 17055

Farmers Bank & Trust Co.  
621 Philadelphia St.  
Indiana, PA 15701

1st State of Beaverton  
4735 SW Hall  
Beaverton, OR 97005

The National Bank & Trust  
201 N. Grand  
Enid, OK 73701

Euclid National Bank  
22818 Lake Shore  
Euclid, OH 44123

Akron Nat. Bank & Trust  
1 Cascade Plaza  
Akron, OH 44309

1st Nat. Bank & Trust  
322 Main Ave.  
Bismarck, ND 58501

The N-Western Bank  
230 So. Tyron  
Charlotte, NC 28202

Bank of Utica  
222 Genesee St.  
Utica, NY 13502

Endicott Trust Co.  
35-41 Washington Ave.  
Endicott, NY 13760

Santa Fe Nat. Bank  
124-126 Washington Ave.  
Santa Fe, NM 87501

The Edison Bank of N.A.  
225 Maple Ave. S.  
Plainfield, NJ 07080

1st Bank of Ocean City  
317 Main St.  
Lakewood, NJ 08701

Bank of N. Hampshire  
Daniel Webster H'way S.  
Nashua, NH 03060

Bank of Nevada  
Pacific & Market St.  
Henderson, NV 89015

1st Westrods Bank, Inc.  
270 Italla Mall  
Omaha, NE 68114

The Conrad Nat. Bank  
2 Main St.  
Kallspell, MT 59901

Plaza Bank & Trust Co.  
118 W 47th St.  
Kansas City, MO 64112

Mississippi Bank & Trust  
E Capitol St.  
Jackson, MS 39205

Security Bank of Mankato  
1057 Madison  
Mankato, MN 56001

Secuirty 1st Bank  
233 Washington St.  
Grand Haven, MI 49417

Benjamin Franklin Savings  
58 Main St.  
Franklin, MA 02038

City Bank & Trust Co.  
25 Court St.  
Boston, MA 02108

Bank of Idaho  
253 S. Main  
Pocatello, ID 83201

Illinois National Bank  
1 Old Capital Plaza  
N. Springfield, IL 62701

Mercantile Nat. Bank  
5234 Hohman Ave.  
Hammond, IN 46325

Union National Bank  
400 State St.  
New Albany, IN 47150

National Bank of Waterloo  
110 E. Park Ave.  
Waterloo, IA 50704

First National Bank  
60 Main St.  
Farmington, NE 04938

Century National Bank  
3801 Canal St.  
New Orleans, LA 70119

Paducah Bank & Trust  
529 Broadway  
Paducah, KY 42001

Peoples National Bank  
424 S. Main St.  
PO Box 8  
Ottawa, KS 66067

The Arizona Bank  
100 E. 32nd St.  
Yuma, AZ 85364

The Planters Bank  
200 E. Hale St.  
Osceola, AR 72370

City National Bank  
400 N. Roxbury Dr.  
Beverly Hills, CA 90213

Bank of California  
716 Santa Cruz Ave  
Menlo Park, CA 94025

1st National Valley Bank  
3100 S. Sheridan Blvd.  
Denver, CO 80227

Chelsea Savings Bank  
1 Franklin Sq.  
Norwich, CT 06360

Wilmington Trust Co.  
PO Box 469  
Dover, DE 19901

National Bank of Wash.  
15th & Eye Sts.  
Washington, DC 20005

Bank of Perry  
1001 Carrol St.  
Perry, GA 31069

Central Pacific Bank  
183 Keawe St.  
Hilo, HI 96720

Valley Bank  
1625 N. Yellowstone  
Idaho Falls, ID 83401

1st Security Trust Bank  
7315 W. Grand Ave.  
Elmwood Park, IL

Maryland Nat. Bank  
Church Circle  
Annapolis, MD 02125

Alpine State Bank  
N Alpine & Highcrest Rd  
Rockford, IL 61107

Lamasce Bank  
201 N. Fulton Ave.  
Evansville, IN 47701

United States Bank  
129 16th Ave. SW  
Cedar Rapids, IA 52404

Fidelity State Bank  
1000 Central Ave.  
Kansas City, KS 66102

1st National of Louisville  
3901 Frankfort Ave.  
St. Matthews, KY 40207

## SECTION FIVE

### HOW TO MAKE A MILLION DOLLARS IN REAL ESTATE ... starting with zero cash!

#### WHY IT'S SO EASY TO GET RICH IN REAL ESTATE

It has been said that more people have become millionaires through real estate than by any other method. Why is this true? It's because real estate offers many advantages that other investments lack. For instance:

- 1) Real estate is a limited supply commodity with ever-increasing demands for it.
- 2) Constant rise in value due to inflation.
- 3) Needs little management time – this frees you for other business activities.
- 4) Little or no risk of investment (property values seldom go down much).
- 5) Provides an excellent tax shelter.
- 6) It's a “borrowed money” business that offers tremendous financial leverage.
- 7) Rental real estate offers two-way profit – appreciation and rental fees.

“That’s fine,” you may say, “but how does one get started?” Read on and I’ll show you how to pick the right type of property so you can get 100% to 150% financing! Yes, it’s even possible to *mortgage out* on a purchase and walk away with several thousand dollars, or even *several hundred thousand dollars* – just for taking over real estate property. Furthermore, since it’s borrowed money, this gift is *tax-free!* How to do this will be explained later, but first let’s discuss what type of property you should look for.

#### WHAT TYPE REAL ESTATE IS BEST?

For the zero-cash beginner in real estate, there is only one type of property you should consider buying: *Income property*. Into this classification goes *apartment houses, stores, shopping centers, office buildings, parking lots, warehouses, factories, recreational types of real estate* (swimming pools, tennis courts, etc.), *condominiums*, and certain other types of property producing a definite *income* for you.

As a beginner, you are looking for more than just a tax shelter or long term investment. You must pick real estate which produces a net profit after paying the taxes, mortgage payments, and operating expenses involved. Buying property which doesn't bring you a profit brings you too close to a losing situation and limits your leverage opportunity.

Therefore, since a monthly income is your goal, you can forget about *raw land deals* – any land without income producing buildings on it. This investment produces no immediate capital and can tie up what capital you may have for years.

## **START SMALL**

I recommend that you purchase a small building initially, perhaps a 10 – 30 unit apartment building. This way you can obtain financing without too much difficulty. Once you have acquired your first small building, then it will be much easier to find financing for larger buildings the next time around.

## **HOW TO MAKE YOUR MILLION IN REAL ESTATE**

Below are the proven steps used by real estate investors to pyramid a few thousand dollars into their own real estate empire.

- 1) **Start with a building you can finance 100%. As a general rule, it will be priced somewhere between \$35,000 to \$65,000.**
- 2) **Improve the value of the building by painting and making simple repairs.**
- 3) **Raise the rents after improvements have been made.**
- 4) **Add to your financial statement the increased value of your building after about three months. Figure inflation, value of repairs, and the increased value created by higher rents, say 10%.**
- 5) **Use the increased value of your building to help finance the next one.**
- 6) **Keep repeating the process until you reach \$1-Million dollars in net worth.**

Since you are going to make improvements on your property, you obviously do not start out with *new* rental property. Don't buy new or nearly new buildings. Pick the lower cost units even if they are located

in the less attractive sections of town. Here you will find that 100% financing is easier to acquire and your net income will be higher. Also, you can take over *more* property for less money as a rule. One word of caution is in order: *Do not buy property needing major repairs* such as new roofs, furnaces, etc.

Even though you may be tempted to start out with a large purchase of rental property, my advice is to begin small and pyramid your holdings until you acquire the experience and know-how necessary for investing on a large scale.

## HOW TO LOCATE SUITABLE PROPERTIES

There are several ways of locating income producing real estate and you should employ all of them in the beginning. By constantly looking over various property offers, checking prices, terms, etc., you can quickly learn how to judge the value of a property. Let me state now that you should NEVER offer to pay the *asking price* for any type of property. Drive a hard bargain at all times, and if you can — buy the real estate with *no down payment*. Why tie up your capital if it's not necessary? Here is how to locate real estate:

- 1) Newspaper ads — look under Property for Sale, Commercial, Industrial, Income
- 2) Real estate magazine ads
- 3) Word of mouth from friends, associates, bankers, etc.
- 4) Real estate broker bulletins
- 5) By joining an apartment owner's association

The latter method has been largely overlooked by many investors. Frequently, there are older owners who want to sell their income but who have problems locating a buyer. By joining this type of organization, you can make many valuable contacts and friends willing to get you started. There have been quite a few instances where owners have fully financed property for fellow members of the association. This can obviate the need for loan applications, credit checks, or even a down payment.

## HOW TO GET 100% to 150% REAL ESTATE FINANCING

If you look around, you'll find some owners of real estate who advertise their property on a no cash down basis. This doesn't necessarily mean the property is worthless. It just means the buyer is anxious to sell.

It's possible you live in an area where it is difficult to find many no cash down deals. If so, there are still numerous ways to get 100% financing to include the down payment. So what if you have to borrow the money for a down payment if you can show a profit?

### **Bank Repossessions**

Banks, Savings and Loan Associations and insurance companies offer a good supply of potential 100% financed property in the form of repossessions. If you have a good credit rating, you can oftentimes take over an income producing property without a cent down — not even legal fees or taxes. Banks and other lenders are always anxious to dispose of their repossessed properties any way they can. The fact is that these lenders are interested in only one thing — *loaning money*. They do not want to manage property.

### **The “Appraisal First” Method**

In many cases it is preferable to have a bank or other lender appraise a property *before* you negotiate price with the owner. Although a bank, for instance, will only lend 80% of a buildings appraised value, owners can sometimes be talked into taking less. In these cases, the buyer simply pockets the difference between what the bank loans, and what the seller accepts. When you do this, you *mortgage out* and walk away with as much as several thousand dollars of *tax-free cash!*

### **Buy property using the seller's money**

Oftentimes you can buy property using a *Purchase Money* (P.M.) mortgage. This P.M. money is a loan which the seller of the property makes to you, the buyer. The usual method is for a bank or other lender to finance the greater portion of the purchase price, while the seller finances a lesser percentage.

Obviously, not all sellers are willing to offer this loan, but it is being used quite often. It can also be combined with several other methods to achieve 100% financing.

### **Second Mortgages**

This is a commonly used method whereby you can often raise enough capital to get 100% financing if the first mortgage doesn't cover it. Second mortgage financing is not difficult to obtain. You can check with your local lenders or refer to some of the firms listed in the capital sources directory section.

Most second mortgages are for relatively short terms, but as you receive income from your property, you can pay them off fairly easy. Later, you can take over other property by using the first property as collateral for the second, and so on.

### **Use Multiple Loan Financing**

There are no laws that say you can't buy real estate using multiple loans. If it can be done profitably, then by all means do it. This is not as uncommon in real estate as you might think. Some properties have as many as eight mortgages on them. For instance, you can receive a combination of:

- 1) 1st, 2nd, 3rd, 4th mortgages
- 2) Property improvement loans
- 3) Business loans
- 4) Venture capital loans
- 5) Other combinations (See: "How to Raise Cash – Fast," and "How to Raise Tremendous Amounts of Capital")

### **Form a Real Estate Syndicate**

A real estate syndicate is a group of persons who join together for an expensive or complex real estate venture. The idea behind the syndicate is to pool the resources of the individual members in order to obtain larger amounts of capital.

Syndicates can take the form of general partnerships, limited partnerships, or corporations. The corporate structure is ordinarily not used for *income property* because depreciation tax shelters cannot be used by stockholders as a tax write-off against ordinary income. Of course a Sub Chapter S Corporation is an exception and can be used if the number of stockholders is 10 or less.

A *general partnership* is sometimes drawn up for pooling resources. The general partnership has full tax shelter benefits regardless of the number of partners. However, it also has several disadvantages. For instance:

- 1) Any partner can obligate other partners by his acts
- 2) All partners have full personal liability
- 3) The partnership may have to be dissolved in the event a member dies



The limited partnership (discussed in an earlier chapter) is the structure chosen for the majority of syndicates. The general partners receive profits and tax shelters. The limited partners are not personally responsible for the operations of the partnership — except to the amount of their investment. This fact accounts for the popularity of L-P's and the relative ease of securing investor money with this method.

As an organizer of either type of syndicate, you can get a salary and/or piece of the investment without putting up any of your own money. The way to do this is to charge a *syndicate fee* when organizing the form you choose. This fee is for the management of the properties, and generally runs 4-6% of gross rentals. Remember, you must have a competent attorney prepare and advise you on the legal points involved in setting up your syndicate.

### **Real Estate Investment Trust**

A REIT is a trust set up to invest in real estate. It is not allowed to own real estate, but it can earn profits from its investments. Furthermore, a REIT pays no federal income tax if it distributes 90% or more of its income after expenses. Expenses include your salary.

A REIT raises money by selling shares of "beneficial" interest to the public — comparing somewhat to a corporation selling stock publicly. Thus, a REIT recently sold one million shares at \$30 each, giving a total cash inflow of nearly \$30 million to the REIT. With this type of trust, you can legally sell millions of dollars in securities even *before* making your investments.

Contact an attorney who handles REIT's. He can give you all the detailed information necessary to set up your trust.

### **FOLLOW THESE STEPS TO TAKE OVER REAL ESTATE**

- 1) Locate your property along the guidelines explained earlier
- 2) Examine the property's profit & loss sheet to determine its value to you
- 3) Make your offer! Remember to offer less than the asking price — at least 10% less on buildings priced under \$50,000
- 4) Settle on the best price you can get
- 5) Negotiate for zero down payment with PM mortgage, if possible
- 6) Raise any cash needed by borrowing. All mortgages should be stretched out for as many years as you can get

- 7) Get an appraisal by the bank before you negotiate price with the seller. Try to **MORTGAGE OUT**
- 8) Have your attorney draw up a contract if the owner is doing part or all of the financing
- 9) Close the deal and start collecting your income
- 10) Start making minor repairs and raise the rent. Get ready to re-appraise your property at its new value in a few months (at least 10% more)

It doesn't matter how small your first building is, the key is to continue using your equity in one building to finance the next one. By using this system, you can pyramid your way to a million dollars in just a few years. Here is a breakdown on how the system works:

Bldg. 1	\$ 65,000	Bldg. 6	\$ 750,000
2	150,000	7	950,000
3	365,000	8	825,000
4	475,000	9	690,000
5	200,000	10	775,000
	<b>Total Investments</b>		<b>\$ 5,245,000</b>

If you pick your buildings right, you won't have to pay a cent for over \$5 million worth of income producing property. Now let's see what happens to your net worth in this period – and the time required is not long at all. Some people have become millionaires in less than three years using this same method.

Your real estate net worth at start	\$ 000,000
Investment in holdings	5,245,000
Appreciated value of holdings	5,800,000
Equity increase of holdings	375,000
Spendable income for three years	275,000

So your net worth rose as follows during the three years:

Spendable income	275,000
Equity increase	375,000
Property value increase	555,000
<b>Total net worth increase</b>	<b>\$ 1,205,000</b>

Thus, you have become a millionaire in just a few years off borrowed money! What could be easier? Believe me when I say these type fortunes are being made almost every day of the week by average people with a little ambition.

Perhaps all this sounds too easy, but then millionaires aren't usually geniuses either — they just follow simple and effective plans for getting rich. YOU can do the same thing and you can start right now by visiting your library and reading as many books on real estate as you can find, or order some of our courses listed in the bibliography.

## **HOW TO BUY HOMES, APARTMENTS, AND LAND ... for next to nothing!**

### **Tax arrears sales**

These are also called *tax delinquency*, or *lien sales*. They are made to recover unpaid taxes on property. You can find out where and how often tax sales are made in your area by checking with your local tax assessor. Ordinarily, auctions are made at least three or four times a year. The bidding is open on most real estate tax sales, so you will be able to see what the other person is offering. On the other hand, tax sales made to recover federal taxes usually require a sealed bid.

The various kinds of property involved in a tax sale can be anything from vacant or developed land, apartment houses, industrial buildings, and other types of real estate. You can almost always buy the property at a drastic reduction from the market value. Frequently the minimum price accepted is just a few dollars above the amount owed for back taxes. In some cases, people have picked up \$40,000 homes for less than \$1,000, and \$150,000 apartment houses for only \$7500 in back taxes.

### **Emergency sales**

There are many types of emergencies which people face from time to time. Divorce, heavy debts, pending legal action, and other reasons often create a sudden need for people to sell their property in short order — even if they take a huge loss. These are opportunities for you to profit from.

Frequently you can find a small business, a house, or some other property for sale at a mere fraction of its true worth. The owner's problem is that he can't find a buyer able or willing to pay him a fair price on such short notice. Selling an expensive piece of property could take months, sometimes years. As a result, the owner sells his property for whatever he can get. This is where you step into the picture.

You have already been shown how to raise up to \$50,000 overnight, \$65,000 in three days, and other techniques. *Use these methods* and cash in on all the emergency sales you come across.

### **Feuding heirs**

Often a property worth a good deal will sell at a huge bargain so that feuding heirs can get cash. In some cases it is possible to borrow 100% of the asking price (and even get a cash windfall) if you get there first with an offer. By watching death notices and reading probate reports at the courthouse, you can get a line on these properties.

### **Government land**

Isolated or disconnected tracts of public land are available to any citizen of the United States. These tracts are sold at public auction. For more information, contact: Chief, Division of Lands & Realty, Bureau of Land Management, Dept. of the Interior, Washington, D.C.

## SECTION SIX

### HOW TO TAKE OVER GOING BUSINESSES WITH ZERO CASH

Here is another little-known technique which can help make you wealthy virtually overnight. The reason is because when you take over a business, *you also take over the salary of the owner* – and that can often be as much as \$75,000 yearly.

To get started, you should look for a business that is in deep trouble and about to go bankrupt. Many of these businesses can be acquired with little or no down payment. They could be manufacturing, service businesses, real estate based businesses, or almost any other type. Why should someone offer a business for zero cash down? Here's why:

- 1) **The owner of a failing business will be glad to get out from under his bills and headaches**
- 2) **He believes the business is beyond saving**
- 3) **Finding a buyer for a heavily indebted business is extremely difficult**

There are plenty of these cash-free takeovers available, and are often-times advertised. What you have to do is *look for them*. You do this by searching through business ads in newspaper classifieds and trade magazines, by checking with local business brokers, and by checking with local real estate agents who also handle business sales.

### FIND OUT EVERYTHING

Once you have found a suitable business, you must get all the details concerning it. For instance, you will have to find out how much the business owes and to whom, the value of the inventory and all machinery, and the value of the building and property itself.

What you are looking for is the firms whose inventory and assets are *higher* than their debts. You must also consider the sales income and expenses in operating the business. Look for such things as the gross sales, selling and labor costs, taxes, and so on. This information can come from the firm's account books, income tax returns, or from an accountant's certified statement.

### MAKE YOUR OFFER

Explain your belief to the owner that you think you can turn the business around and make it profitable, but it will take at least two years. Since this is your plan, here is a typical offer you make to the owner:

**ZERO CASH DOWN  
OFFER HIM PROMISSORY NOTES  
NO NOTE PAYMENTS FOR TWO YEARS  
OFFER TO PAY ALL THE DEBTS OF THE COMPANY**

Now be sure to have your lawyer draw up a proper sales agreement before buying. You should also try for an arrangement to pay the attorney's legal fees from business funds — not your own pocket.

If you find that you absolutely must give the owner a nominal down payment, you can use any of the capital raising methods described earlier. However, you must insist on paying the bulk of the price with promissory notes. You should also insist that payments don't begin for at least a year — preferably two. You will need that long to turn the business around and show a profit.

Once you have acquired your sick business, you then take steps to make it profitable. The first step is to deal with the creditors. Here is what you do:

Set up an appointment with each creditor to discuss the firm's indebtedness. Explain to them that you have just taken over the business and you would like to pay off all the debts as soon as possible. Tell them the business has no cash at the moment but that you hope to start showing a profit in six months to a year. Your strategy is to convince the creditor to accept a reduced settlement of the debt.

First off, try to get a debt reduction of from 30 to 70 percent from the total debt. You must also insist that no payments begin for at least one year. Your third request will be for a long-term repayment plan — 10 years if possible.

Once your creditor has accepted the offer, make it legal by getting him to sign an agreement. Through this maneuver alone, you will have reduced your debt by 30 to 70 percent; lowered payments by getting payoff time extended; and received complete debt relief for one year.

Taking care of the business debts has helped substantially and the business is in a much better position to recover, but you don't stop at this. You can also:

- 1) Sell off excess inventories — finished goods or raw materials**
- 2) Sell off part of your production machinery if not needed, or on a sale/lease-back plan**
- 3) Factor or discount your receivables to raise quick cash if needed**
- 4) Sell off a division or separate department**
- 5) Split your company into separate firms and sell the stock**

- 6) **Make any other cost cuts you can: Reduce payroll, find cheaper supply sources, eliminate waste, etc.**
- 7) **Eliminate products, services, or accounts which are marginally profitable**
- 8) **Study how to increase sales and locate new markets**

Incredible as it may sound, there are many businesses that can be saved through these methods. All too frequently owners are totally unaware of the true value of their business. In many cases, the owner has exhausted his operating capital and credit through mismanagement. Your offer allows him to recoup some of his investment, and *your offer may be the only one he gets!*

## **THE CORPORATE TAKEOVER**

You can use a variation of the promissory note method by offering the owner *corporate stock* as a down payment, or even full payment if the owner is really desperate. Assuming you set up a corporation with ten other investors, the owner would be assured of a sales potential of ten customers for his stock once the business gets going.

## HOW TO EARN \$5,000 MONTHLY SELLING INFORMATION BY MAIL

Go to your local newsstand and pick up a copy of just about any national magazine that carries mail order advertising. Check the classifieds and the display ads closely. Now check a few others. You will find many of the exact same ads running in scores of major magazines.

Many of the *longest running ads* are those advertising *information* for sale. Some of the people in this business have been selling the *same* information for up to 20 years! Others have made a quick fortune in just a few months and retired.

Selling information by mail is probably the easiest and fastest way to make a fortune — or get filthy rich if you come up with a real winner. Only an initial effort is required to research and write a report. After that your only work is filling orders and counting money.

Granted, the majority of the ads you see are *failures*. There is a lot of money lost as well as made. Those who fail completely do not know *what to sell*, or *how to sell*. With the know-how I'll give you, you can put the odds very heavily in your favor.

### OPPORTUNITIES IN MAILORDER

Mail order is a multi-billion dollar industry that continues to grow despite huge postage increases. According to a Wall Street Journal projection, total yearly mail order revenue is between \$40 and \$60 billion dollars. There is absolutely no reason why you shouldn't tap into this lucrative industry and get your share. In the next few pages, I'll teach you how easy it is to do just that.

Strictly speaking, mail order is not a business, but a *marketing method*. Its unique characteristics enable someone with virtually no capital to start his own business. You simply do not need an expensive store, large inventories, or equipment to sell your wares — the printed page does it for you. Once you come up with a successful report, then you can run wild with it. You have an unlimited potential with the right combination.

Before going into the specifics, let's take a look at what some of the more successful book and report sellers are doing:

**JOE KARBO** sold his own self-published book, "THE LAZY MAN'S WAY TO RICHES," by way of full page ads in national magazines. According to **TIME** magazine, he made over \$500,000 his first year. By mid 1974, he had sold almost 300,000 copies of his book at \$10 each.



**E. JOSEPH COSSMAN** made a **MILLION DOLLARS** by selling novelty items and information by mail.

**CARL V. TORREY** has been running classified ads for as long as I can remember. They usually read, "How I made \$40,000 yearly in mail order." Considering how long his ads have been running, his profits through the years must be phenomenal.

**JERRY BUCHANAN** of Vancouver, Washington grosses in excess of \$50,000 yearly selling his books and newsletter. Jerry admits his first reports were badly misspelled and yet he continued to sell his material.

**ALAN SHAWN FEINSTEIN** of Cranston, Rhode Island sold several thousand of his 28 page report (for \$9.95) on "HOW TO MAKE MONEY FAST." His profits have to be staggering when you consider the fact that just one full page ad in a national magazine costs **SEVERAL THOUSAND DOLLARS**.

Of course there are literally hundreds of other operators who make a fortune on small display and classified ads. You don't have to invest in full page ads to make it big in mail order, but with a hot seller you'll soon be able to.

## **YOU DON'T HAVE TO BE A WRITER**

It isn't necessary for you to possess anything more than basic writing abilities. As long as you can set forth your ideas in a clear manner, you can make money selling your reports. If not, there are "ghost writers" who will write your report for you at reasonable cost.

In my opinion, most of the people who read this book are fully capable of writing their own material. People who buy information by mail are not interested in your style of writing — they are after only the *information* you provide. Just write your report in your own words and concentrate on the *content*, not your style.

These reports can be anything from a couple of sheets of paper stapled together to a full sized book. Your printing cost is only pennies for each one, but you sell each one for **DOLLARS!** Sell for whatever the market will bear. Your mark-up should be at least 600%, preferably 1200% or more.

The exact price you sell your information for is something you can determine yourself by testing at several price levels. Some 2 page reports sell profitably for \$3 each. I have seen (and purchased) skimpy 10 page folios for as high as \$15 and been satisfied with the value of the information they contained.

Whether *you* can profitably sell such a skimpy report for \$10 – \$15 depends on how valuable the information is to your customer. The number of returns you get (if you offer a guarantee) must be taken into consideration. You can normally expect between 1 – 10% returns no matter how great you feel your material is. Any more than 10% and something is probably wrong.

## WHAT KIND OF INFORMATION SELLS

There are only two types of information which you can sell profitably by mail. They are: Sex books, and how-to-do-it information. Forget about fiction books. The giant book publishers sell fiction at a profit only because of their volume and book club schemes.

Your reports should also be the type of information which *appeals to a large audience* and which *isn't readily available*. Let's examine these requirements a little closer.

First, an appeal to a large audience isn't *always* necessary to sell your information at a profit, but it drastically increases your chances. Additionally, any product with wide appeal can be advertised in a much larger number of magazines. An item with limited appeal is restricted to only a few and limits your potential profits.

The other criteria is that it should be information which isn't readily available. It doesn't mean your customer couldn't get the information at all. It just means that he might have to spend hours of research to find it. Buying your report saves him the time and effort.

Your offer must also fulfill certain emotional needs of the reader. Below is a summary of the needs that are common to millions of people. Write a report which deals with one of these subjects and you will have guaranteed prospects.

**MONEY**

**HEALTH**

**HAPPINESS**

**SURVIVAL**

**PERSONAL POWER**

**PRIDE**

**BETTER SEX LIFE**

## HOW TO RESEARCH YOUR SUBJECT

If you have access to a large library, you can get most of your information free. If not, you may have to purchase it at local bookstores or by mail. On the next page is a list of the major reference material you should look for at your library. Your librarian can help you find more specialized guides, if needed.

## THE READER'S GUIDE TO PERIODIC LITERATURE

(or the Abridged Reader's Guide)

This reference will tell you which magazines have published articles on your subject.

## THE CUMULATIVE BOOK INDEX

This reference tells you what **BOOKS** have been published on your subject.

## THE INDUSTRIAL INDEX

This tells you which **TRADE JOURNALS** have published information on your subject.

## THE COPYRIGHT NOTICE

Once you have written your report, you should have it copyrighted to prevent duplication. For detailed information on how to secure a copyright, write to: Copyright Office, Library of Congress, Washington, DC 20540.

## HOW TO GET A 15% DISCOUNT ON YOUR ADVERTISING

You can receive a 15% discount on virtually every ad you run in magazines and newspapers by setting up your own advertising agency. This 15% is the "cut" which an outside agency normally receives if you were to place your advertising through them. You don't really need an advertising agency in the beginning. Why not set up your own house agency and put that money into more advertising?

The mechanics of setting up your own agency are simple: Go to a local printer and have him design your agency letterheads and envelopes. You then have the *letterhead* and the *ad order form* (see next page) reproduced as one. A printer who does *offset printing* can photograph and enlarge the order form directly from the book without having to remove it.

That's it. From here on out you proceed placing ads for your mail order business through your own advertising agency. You get an automatic 15% discount, and with many magazines, an additional 2% discount for prompt payment.

The ad order form is mostly self-explanatory. For placing classified ads, check the space where it says *insertion order*. When you advance to display ads, make a check beside the words *space contract*. *Position* indicates the classified heading (or display ad position) you want your ad to appear under. *Space* is the number of words in your classified, or the number of "agate lines" (14 per inch) in your display ad. The blank area in the middle is where you type your ad **EXACTLY** the way you want it to appear in the magazine.

(Have your printer reproduce your advertising agency letterhead in this space)

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**IF CHECKED HERE, THIS IS  
AN INSERTION ORDER**

**IF CHECKED HERE, THIS IS  
A SPACE CONTRACT**

**Please insert advertising of (client)**

**For (product)**

**In (publication)**

**SPACE**

**TIMES**

**POSITION**

**INSERTION DATES**

**COPY**

**KEY**

**RATE**

**LESS AGENCY COMMISSION**

**% ON GROSS**

**LESS CASH DISCOUNT**

**% ON NET**

**NET AMOUNT OF THIS ORDER**

Don't be concerned about the ethics of setting up your own house agency — everyone does it. After all, if Sears and other multi-million dollar corporations can have *their* house agency, so can you. The Federal Trade Commission has already so ruled. The magazines don't give a hoot either, they're happy to just get your business.

## THE BEST MAGAZINES FOR ADVERTISING

In another book I published, I listed the 21 best magazines for advertising business opportunity offers. In this book entitled, *How to Make A Fortune Selling Information by Mail*, I rated these magazines by order of pulling power so that a beginner could start out with his best chance of showing a profit. This book contains a lot of material of interest to mailorder beginners. See the bibliography.

## HOW TO SELL YOUR BOOK ... before it's even printed!

The first step is to go ahead and prepare your promotional material and schedule your first test ads. When the orders start coming in, you then send the customers a printed letter stating that there will be a short delay before shipment can be made. Your excuse could be that . . . your printer is on strike, a small fire destroyed your stock, or you could simply say that "demands have far exceeded our expectations." Any of these excuses will work, but you must make it very clear to your customer as to when you will make shipment. In return for waiting, offer to send the customer a personally autographed copy of the book.

If you have followed my advice and developed a highly marketable book/report, the percentage of customers requesting a refund will be small. It is certainly possible to convince some of them to wait three months or longer. The incentive to wait that long could be a 20% rebate you offer to send with their book.

One self-publisher reportedly used a slight variation of this method to sell almost \$9,000 worth of books *before they were printed*. First, he tested his offer by placing a few classified ads in selected publications. Once he was sure his ad would pull enough orders to be profitable, he ran a full page display ad. By setting up his own advertising agency and generating credit with the magazine, he didn't need any front money. He scheduled his first \$3,000 ad on credit.

Almost from the first day of sale, this self-publisher began receiving *hundreds of dollars* in orders for his book. Within a month, he had enough money to pay for his ad and have his book printed.

Of course it really isn't necessary for you to follow this procedure to get your book published. You can have a short report printed to start with. Using inexpensive classifieds, you could pyramid your profits and have a large book printed in a short while.

You need to sell your information for at least \$10 – \$20 because it is only at these prices where you can begin to show a good profit. If you charge less than \$5, you're only swapping dollars.

When you finish writing one report, start on another which the same readers would be interested in. As you know, *repeat sales* are the backbone of most mailorder businesses. That's why newsletters and magazines are so profitable, and this is another field worth getting into.

Some of the most rewarded operators in the information selling business are the people who've developed successful *correspondence courses*. Benson Barrett, for example, is already a millionaire. He sells a \$65 course on how to write short paragraphs. The mark-ups for correspondence courses are much greater than even for self-published books, but it takes a while longer to develop a good one.

## SECTION EIGHT

### ONE-MAN BUSINESSES THAT CAN MAKE YOU RICH

#### HOW TO EARN \$100,000 YEARLY AS A FINDER

As a *finder*, your business will be to locate goods, services, or situations for someone else for a fee. One deal a year could be worth \$100,000 to ONE MILLION DOLLARS.

Finder fees are usually based on the value of the item found. They can vary from a low of 0.5 percent up to 10 percent depending on the size of the deal. The larger the deal, the smaller the percentage but your total profit is greater. Sometimes the percentage fee will even exceed these "average" figures.

You can easily locate sources of finder fees by getting a subscription to: *International Wealth Success*, P.O. Box 314, Lilburn, Georgia 30247. Another source for finder fee offerings is in the Wall Street Journal.

When you spot a finder's offer, write or call the firm to get specific details and the name of the person with whom you will be dealing. Armed with this information, you begin your search.

For instance, suppose the firm or individual is looking for an acquisition in the field of plastic packaging. To get a lead on which companies might be interested in selling or merging, do this:

Contact the suppliers of *raw material* for plastic packaging factories. Ask to speak to the sales manager. Tell him you are planning on placing some orders for packaging and you would appreciate the names of two or three small companies who could use the business.

Thus, you can very easily locate the prospects you need. Naturally, you follow this up by arranging an appointment with the owner to discuss a means of increasing his business.

At the meeting, tell him you have a potential merger partner who will invest substantially in his business if he's interested. If so, get back with your client and have him sign an agreement for your finder fee.

Obviously, most meetings will not amount to anything. But then you only need *one* good deal to earn your fortune. With a little patience and ingenuity, you can swing as many deals as you care to get involved in.

#### EARN UP TO \$100,000 YEARLY AS A BUSINESS BROKER

As a business broker, you will be selling businesses on a set fee or commission basis. It is not at all unusual for a top broker to earn as much as \$100,000 yearly in this field.

The idea is to specialize in just *one type* of business, learning all its techniques and trade secrets. You can learn this by working part time for a local broker who will let you work out of his office. Learn

all you can by reading several books on buying and selling businesses. You should also read trade papers for the field you specialize in, talk to the owners, talk to bankers, accountants, employees, etc.

Once you are thoroughly familiar with your type of business, you will be ready to place a few ads in trade magazines — looking for buyers. Find out how much the buyer can pay and then look for sellers. *If the price is right, you can always find a seller!*

A highly profitable sideline to this business is to become a *Business Investigator*. Your service would be to conduct the complete investigation of a business for prospective buyers. You will be checking all the financial details of the business, the market conditions, earnings, etc. Set your fees HIGH for this service — at least \$1,000 and up.

## START AN INDUSTRIAL EQUIPMENT BROKERAGE FIRM FOR UNDER \$50

An equipment brokerage firm finds buyers for used business and industrial equipment. An agreement is signed by the seller to pay the brokerage firm commissions running about 10 to 20 percent. On large pieces of equipment, your commission would be a cool \$50,000. You can make many deals throughout the year if you advertise enough. This is not a small time business. It's a big money business that can make you a fortune. Here's how to get started with little more than a box of letterheads and a few cheap classifieds:

Run ads in trade magazines offering *equipment for sale* and also run ads *wanting to buy* equipment. The ads will bring inquiries from both buyers and sellers. All you have to do is match them up.

It is best to specialize in one or two commonly used machines for which there is already a high demand. Examples are: *printing presses, machine shop equipment, dry cleaning equipment*, or any other type equipment being used by a large number of businesses.

By specializing in one or two machines, it is much easier to learn the market values of the many different models. Once you have established the market value, you run ads offering to sell for *slightly below* market price. Of course you won't have any machines, but your ad will bring buyer inquiries. You then inform all your inquiries that the machines were sold, but that you are in contact with another seller.

Your second ad, which offers quick cash for used machines, will bring listings from sellers. You now inform the sellers that you are temporarily overstocked. Offer to put them in contact with a buyer — *for a commission!*

And there you have it! You've just started your one man brokerage firm for peanuts. Keep advertising and many more deals will appear.

Once your commission business has brought you sizable operating capital, you will be able to significantly increase your profits by going



to equipment auctions and by purchasing equipment during distress sales. Now you can actually sell your own equipment. You can also obtain dealerships for new machines and build yourself a very profitable business.

## **START A MISSING HEIR SERVICE**

Your business will be to locate heirs to estates which will revert to the state unless the heir is found.

Estates can run from a few thousand to *hundreds of thousands of dollars* and you should contract for HALF the estate value as your search fee. Always get an agreement from the heir *before* you tell him you've found his estate. Your written, notarized agreement will state that *if* you locate an estate, your fee will be 50%. Once the agreement is signed and notarized, then and *only then* do you reveal the estate to your client.

To get started, go to your state capital and check over the unclaimed estates. Look for the larger ones first and then start working backwards from the death certificates. Find out the last known residence, talk to neighbors, employers, etc. and put the pieces together bit by bit. By working backwards, you can eventually locate a birth or marriage certificate and relatives will be simple to locate.

Get yourself some business cards and letterheads with a title like *Estate Investigations, Inc.*, or something similar. These credentials will gain the confidence and answers from strangers who would ordinarily not speak to you.

## **EARN \$3,000 AN HOUR AS A FINANCIAL BROKER**

A financial broker is one who brings lenders and prospective borrowers together for the negotiating of a loan, underwriting corporate stock, or other financial transactions. A broker's fee can vary from 1 percent to 10 percent of the negotiated loan, or even a part-ownership in the business.

The way to get started in this business is to begin looking for your *borrower* first. You can do this by advertising your services in the Wall Street Journal and other business publications such as the newsletter, *International Wealth Success*, discussed earlier. You can also use the method I described for operating a finder business. That is, you could contact suppliers of raw material for various businesses to get a line on manufacturing companies which are hard up for business — this is a perfect way to find businesses which may need a large loan.

Once you have located a firm or individual needing capital, you can either write them (on your Financial Broker letterhead), or contact them personally to offer your terms.

Assuming the borrower needs a \$20,000 loan, you might wish to bargain for a 5 percent commission for finding a lender. Of course, you must have your client sign an agreement to that effect. It is usually a good idea to specify in your agreement that your fee will still be paid if your client turns down a reasonable offer. Many brokers also charge a *search fee* of about \$100 in advance.

Once you have your signed agreement, you should get a full listing of the company's assets. Then you begin searching for lenders at local banks, large finance companies, and in the "Capital Available" columns of financial newspapers.

Later, as your reputation builds, you will find borrowers *looking you up* and offering you fees to find them loans. At the same time, the lenders will be hounding you to find suitable businesses in which to invest their money. At this point you will be making the easiest money of your life — all you have to do is bring both parties together!

## **WHEEL AND DEAL YOURSELF A FORTUNE AS A FINANCIAL CONSULTANT**

This method will enable you to wheel and deal in practically any type of property up for sale. You will become the "middle man" in various transactions and be in a position to cut yourself in on the action.

The way to get started is by having some business cards printed up with your name and the words : *Business-Financial Consultant*. This procedure enables you to review the varied business deals and propositions being offered to rich investors. As a third party you will not arouse suspicion and be subjected to credit checks, or checks on your net worth. It allows you to get a cut of a big business or land deal without risking your own money.

When you approach someone who has a business proposition, you hand him your card and explain that you are acting for a third party whose name you cannot reveal for obvious reasons. Tell him you represent people with substantial sums of money who are interested in finding good financial propositions. Since it is a common practice in the upper echelons of the business world for rich investors to have a representative, this ploy will gain you the attention and the cooperation you will need.

You should request detailed information from the seller on what is offered, how much it is, the terms, conditions, and so on. Once you have this information, you can reverse the procedure. That is, you then *start looking* for investors.

For instance, let's suppose you have located an excellent piece of commercial property which you learn can be purchased at a substantial discount, or on easy terms. Your next step would be to contact influ-

ential investors, businessmen, and others in your area. Explain to them that you have a tremendous business offer to make.

You sit down with the investor and explain all the facets of the deal and show him his potential returns. As a financial consultant, of course, you are to receive an agreed fee (or a piece of the property) for putting him in touch with the seller.

This procedure is not in the least unusual. In fact, it's being done all the time. Inside information can be worth a lot of money to an investor, and he must pay you or lose the opportunity.

You can locate both sellers and investors through newspaper ads, by phone, and by letting your services be known to bankers, lawyers, and accountants in your area. Once the word spreads, you will have people looking for you.

## SECTION NINE

### SMART MONEY ANGLES

We used to say, "It takes money to make money," but today it sometimes takes only the *illusion of money* to make money. People believe what they see. If you appear to be wealthy, or successful, to them *you are!* More importantly, by appearing wealthy, you can operate much the same as someone who is. Opportunities occur which would otherwise be impossible.

Actually, the illusion concept is threaded throughout this book as you've no doubt noticed. In the next few pages are still more methods. You'll also be amazed at what can be obtained either FREE or at little cost by using the proper *know-how*. There is no reason why you shouldn't use these "Smart Money Angles" to your own advantage.

### HOW TO CREATE EMPLOYMENT RECORDS, DIPLOMAS, DEGREES

Many people have the necessary qualifications for a higher-paying job, but because they don't have any actual work experience in a certain field, nor an accredited college degree, they lose out. In many cases, employers will not even *interview* anyone not in possession of a degree, even though the job could be performed by a grade school drop-out!

This need not happen to you. You can easily "create" a background and degree which presents you in your best light. After all, if everyone benefits, who cares *how* you received your degree?

#### College Degrees

Visit an accredited college library. Search through their old year-books for someone *with a surname the same as yours*. It is helpful if his first name, or first name initial, is also the same as yours.

Next, have some fictitious business letterheads printed up. Then contact the university explaining that "John Doe" (the name you selected), has applied for an executive position with your firm. Ask for a complete dated history of his education, scholastic standing, fraternities, etc., and degrees received. If the information is satisfactory, you will be ready for the next step.

This time you write to the same university and request a certified copy of YOUR degree which you state has been stolen, lost, burned, or whatever — remembering to give your graduation date. When your degree is received, you are ready to create your resume in which you include all the information you have on hand about "your" college years.

## Employment Records

To create an employment record for your resume, for credit purposes, or any other reason, choose for your former employees those companies which have since *gone out of business!* To do this, look through old classified telephone directories and make up a list of firms which might have used a man or woman of your qualifications. Then check the latest directories to see if these firms are still in business.

List the ones out of business as your former employers — up to within the last couple of years. For your *last* employer, you should create a fictitious name. A friend with a telephone and a street address will back you up. Or, if you prefer, a local answering service, an additional phone in your home, or even a box address can be used to provide references. Naturally, all correspondence will be delivered to you, or your friend, and all telephone messages will also be answered by you. Of course you then receive the highest recommendations!

## Another way to receive a college degree

For those people who prefer to obtain their degree through less devious means, there is the option of purchasing one outright. There are all sorts of “diploma mills” which will confer degrees with little or no requirement — except a fee. Look for the names and addresses of these in the classified sections of national magazines.

In many cases, these type degrees will be accepted *as if* they were from accredited universities. In other cases, they may be recognized by your potential employer as worthless. At the very least, there is always the danger that the diploma may be discovered for what it is after you have secured employment.

Fortunately, there are three American universities and two foreign schools which are *100% legitimate*. They offer degrees to students anywhere in the world, with NO required courses, and no residency requirements. Your degree can be earned by examination, evaluation of prior coursework, and/or evaluation of your “life experiences.” For instance:

### The University of the State of New York

This university happens to be the oldest state educational agency in the United States. Chartered in 1784, this university’s programs have even been approved for most veteran benefits! Age is no barrier, and you need not have finished high school. The university has been *fully accredited* by the Board of Regents of the State of New York. It has also been admitted as a candidate for accreditation by the Middle States Association. For more details, contact:

**The Regents External Degree Program  
The University of the State of New York  
99 Washington Avenue  
Albany, New York 12210**

**The Board of Governors Bachelor of Arts  
Program of Illinois**

This is very similar to the Regents program in New York except that this program offers a type of "no-fail policy." Failed tests are not entered in your transcript. Contact:

**The Board of Governors BA Program  
Board of Governors of State Colleges  
and Universities  
Springfield, Illinois 62708**

**Thomas A. Edison College**

This is also similar to the Regents External Degree Program. Write:

**Thomas A. Edison College  
1750 North Olden Avenue  
Trenton, New Jersey 62708**

**Foreign Degrees**

For information on the foreign degree programs and requirements, contact:

**University of London  
Senate House  
Malet St., London WC1HU  
England**

**The University of South Africa  
Muckleneuk Ridge, Box 392  
Pretoria, South Africa**

**FIND ANY JOB YOU WANT**

*Never be unemployed.* When you need a job, don't ever go looking as an unemployed person. People who hire assume that a person without a job is undesirable. A lot of employers mistakenly think that good workers are never laid off or fired.

What you should do is CREATE a job. Have some letterheads printed up with a good sounding company name. Use an answering service, post office box, mail drop, or a friend's phone and address to provide a business front. Then you employ yourself in your company in whatever capacity you like.

Now, some of you may feel this is cheating or even immoral. Maybe it is. But then, not having any income to pay your bills, *or eat* is worse. After all, isn't it *also* immoral for people to discriminate against you for the totally insane reason that you are currently unemployed? Keep in mind always, "*To be successful, you must APPEAR to be successful.*"

After you've given yourself a job and a good salary, the next step is to look for your job. Forget about answering classified ads and dealing with employment agencies. Only a fraction of the available jobs are ever found this way.

Place an ad in your local paper *offering* a job in the field you want to be in. Use a blind box number and your new company letterheads to answer replies. *Yes*, you will be advertising for an employee to fill a job you don't have. The idea is to get a line on firms who employ people with your qualifications. The resumes you receive will provide you with plenty of hot leads on firms that need employees. You can even go so far as to *phone* some of your "prospects" who write you. By phone, you can dig out even more information on the firms they work for, their pay, and when they plan on leaving.

As I said, this gambit could be considered immoral. It may even be illegal in some places, but it WORKS. I do not advocate anything illegal or immoral, but if you ever get hungry enough, then you make your own decision.

## **HOW TO RECEIVE THOUSANDS OF DOLLARS IN MERCHANDISE FROM WHOLESALERS – ON CREDIT**

You can stock your store *full* of merchandise in a few weeks with this plan. In fact, you may not even need a store since you can always sell from your house depending on local zoning laws.

If you haven't already, then establish your company by having some letterheads printed. Perhaps you will want to spend \$2.00 or so to properly register your company name at the county seat. After this has been done, your next step will be to build up the company's credit rating by using techniques already discussed. Then, all you have to do is write to wholesalers, importers, and manufacturers and apply for credit.

On the other hand, many creditor companies that do business with retailers have learned that it's often less expensive to *automatically* grant credit within certain limits, than to lose money, time, and possibly customers, by investigating each company placing orders. Therefore, with certain wholesalers you will not have to establish credit.

Once you have opened your store and stocked it, you can add to your line at no cost. Magazines, books, specialty merchandise, and other products are usually available on a consignment basis. Not only is there no investment on your part for this merchandise, but you are also spared the expense and effort of designing displays. Check the yellow pages of your phone book for the wholesalers, distributors, and manufacturers nearest you.

## GET A LUXURIOUS EXECUTIVE OFFICE FREE

Here is a technique you can use to obtain your business office absolutely free. Why pay for it when you can get it without cost? Only a token effort will be required of you.

Your first step is to check around for smaller office buildings without a property manager. There are many such buildings owned by professional men, such as doctors and lawyers, who buy buildings for tax shelters. The problem is that they don't have time to manage them. You can readily spot these buildings because they usually have a large number of "for rent" signs displayed. The main reason for these vacancies is because there is no on-the-premises manager to rent space to new tenants.

Once you have located a building which meets these criteria, your next move is to have a few business cards printed up identifying you as a *Property Management Specialist*. You should approach the owner of the building with your business card and explain that you would be happy to do the job of renting his office space and showing them to prospective tenants. All you ask in return is that you receive your office space free. Most owners will jump at the chance to fill their vacancies and will accept your offer — especially since your glowing credentials prove you are more than qualified to handle things.

## VANISH AND CHANGE YOUR IDENTITY

Each year thousands of people find it necessary to change their identity and it is a very simple procedure. All forms of identification start with a birth certificate. Once you have this document, you can very easily obtain social security cards, driver's licenses, passports, etc.

The simplest method of acquiring another birth certificate is to assume the name of someone who is deceased. It is preferable to pick the name of someone who died at an early age rather than within the last few years.

Naturally, you will pick someone of the same sex, race, and approximate age as yourself. Begin your search at the public library by looking through old newspapers for obituaries of children who would be your



age, or close to it, had they lived. Find out the name of the deceased's parents since these are required before a duplicate birth certificate will be issued.

Another method is to search through death certificates at the county recorder's office. This method will reveal all the information you need to send for a certified birth certificate. Sometimes you can request a copy at the county recorder's office if the individual was born in the same county.

If you want more detailed information on changing your identity, you should get a copy of the book, *THE PAPER TRIP*. Write for current price: Eden Press, PO Box 8410, Fountain Valley, CA 92708.

## **LIVE IN A \$100,000 LUXURY HOME FREE**

One way to live in a mansion rent free is to be a *house sitter*. Sometimes you can even pick up \$50 to \$75 a week just for living in a home and taking care of things while the owners are away. Most wealthy people do a lot of traveling, often for extended periods, and they hire people or provide them with free use of their homes in the meantime.

You can make money out of this by offering a listing service and charging members a fee for your newsletter & club membership. Call yourself the "American House Sitters Association," or something equally prestigious.

Another method which can bring you from \$10,000 to \$50,000 a year is to get a real estate license and look for empty houses or mansions for sale. Go to the owners and tell them you specialize in selling larger homes. You live in them while arranging for clients to see them, and you only work on selling that home.

This has the advantage of selling the home as well as protecting it from vandals, fire, etc. Many owners of such properties will welcome the idea. Try it.

## **HOW TO GET FREE FURNITURE AND MERCHANDISE**

In many areas of the country professional *Exchange Services* are being organized. The idea is to become the middle man for business and professional people who want to exchange goods and services among each other.

As an example, a jeweler might want to entertain guests on a yacht for which he will deliver a \$1000 diamond ring — you know a dentist who owns a yacht and who wants a stereo unit. You contact a stereo dealer, offer him a \$1000 diamond ring for a \$750 stereo unit. Then you complete the deal: The \$1,000 diamond ring for a \$750 stereo; the stereo unit goes to the dentist, and the jeweler gets to use the yacht for so many weeks. Your income can be either 2% on each transaction, or free merchandise from trading members, or *both*.

You can get started by sending letters to business and professional men offering your services. Point out that they can save large cash outlays by arranging trades for goods and services. You'll get calls, and you quote a cash figure for each successful trade. Until the cash arrives, you don't reveal the names of the traders.

Another method for getting free furniture, and just about anything else, is to start up your own weekly *advertising shopper*. In his book, *The Best Things in Life Are Free*, author Glen Shay relates how his friend, Mike Pearlman, has obtained free merchandise, rent, gasoline, and more, through just such a method.

All you have to do is convince local merchants to exchange their products for advertising space in your tabloid. Since you will be appealing to the smaller businessmen who cannot afford high newspaper rates, you should have no problem finding advertisers. It is a fact that most businessmen are more willing to part with merchandise than with hard cash.

### **APPEAR TO BE WORTH \$1,000,000 IN 30 DAYS**

You can easily take on the appearance of a millionaire with this maneuver. Of course it will only be on paper, but sometimes that's all that's needed to attract money. Allow me to hypothetically illustrate how I used this technique to raise money a few years ago.

At that time, I was presented with an offer to buy the patent on a new kitchen device. Since I didn't have enough money to pay for marketing or manufacturing this product, I sought funds from outside investors. Here is what I did:

First, I formed a corporation in the State of Delaware since this state requires no proof of capitalization. I then assigned a par value of \$1,000 each to 1,000 shares of my stock.

My next step was to locate an investor through classified ads in a few financial publications. I told this gentleman just enough to interest him in my proposition. A meeting was arranged at my office. The investor arrived at the scheduled time and entered my *vacant office*. I had left a note on the open door stating that some unexpected business came up and I would be delayed a few minutes.

My certificate of incorporation for The Reynolds Corporation was displayed conspicuously on the wall. And my financial statement which I "accidentally" left exposed on my desk showed me as owning 1,000 shares of stock with a total value of *one million dollars!*

Of course it was all planned that these papers would be noticed. Who wouldn't be impressed and made to feel more at ease when making an investment with such an obviously successful businessman? As it turned out, the investor treated me with utmost respect and accepted my offer!

Now who was hurt by this little charade? Certainly not the investor for the product turned out to be a phenomenal success and his money was multiplied many times over. Had I not won his confidence in me, he would have turned me down flat, and we would have both lost a fortune. From now on, *you* can use the same technique or a variation.

### **ADD \$250,000 TO YOUR BUSINESS BALANCE SHEET FOR LESS THAN \$100**

If you already own a business, you simply list shares of corporate stock as assets on your balance sheet. All you need do is form a corporation with a name different than your current business name. Choose a name which sounds similar to a major corporation. For instance, you could use such names as GMC of Delaware, TWA of Delaware, or perhaps even IBM of Delaware.

As mentioned before, you can assign any par value you like to your stock if you incorporate in Delaware. Of course there won't be any corporate assets to back up the stock, but no one needs to know that except you. You will know in advance who will be reading your statement and how knowledgeable they are about such matters.

### **ENJOY TRAVEL & ENTERTAINMENT FREE**

Not many people are aware of the Las Vegas gambling junkets. Nevada's hotels offer all sorts of benefits to potential gamblers. Many of these hotels will fly you round trip, pay all hotel and food bills, and provide you with a free rented car. Call a travel agent for more information.

You can travel almost anywhere else in the world FREE by arranging *charter tours*. Many people prefer the safety and companionship of traveling in groups. What you must do is stir up interest for a tour among members of your church, fraternity, or other organization.

Talk to the owner of a large travel agency and have him figure a group rate which will include *your* expenses free. He will usually go for this type deal to get the business. You must be certain, however, to obtain firm commitments or deposits from the other group members.

You can also travel the USA free by using one of the so-called "Auto Forwarding Services." With this arrangement, you deliver a car to a particular city where the owner wants it. You are given free use of the auto in exchange for delivering it, and in many cases, you can even get your gas and tolls paid. Look in the yellow pages under auto forwarding.

If you travel a lot you may be interested in a publication entitled, *Insiders Secrets of Travel Bargains*. It tells you how to get such things

as free travelers checks, how to live in a castle for \$10 a day, how to save \$50 — \$200 on your next airline ticket, and more. Order from: Selective Books, P.O. Box 1140, Clearwater, Florida 33517.

## **HOW TO RECEIVE HUNDREDS OF NEW BOOKS FREE EACH YEAR**

One way to do this is to become a *book reviewer*. You start by convincing a local newspaper to carry a column of book reviews under your name. You can offer your column as a freebie to the newspaper on the grounds many readers would be interested in reading book reviews. Or you can convince book stores to carry your column as part of an ad. Once you become published, send tear sheets to all the major publishers and ask to be placed on their reviewer's mailing list. You will receive a free copy of every new book published.

You can also receive many free books from religious and charitable organizations by simply asking for them. Or, if you have started your own religious organization, you can solicit donations from publishers, libraries, book stores, etc.

Discounts of up to 35% on your new book purchases, including those on the best sellers lists can be obtained from, *The Book Post, Inc., 141 E. 44th St., NYC, NY 10017*. Also from, *Bookquick, Inc., 160 Eagle Rock, Roseland, NJ 07068*.

## **GET \$50,000 IN FREE LIFE INSURANCE**

By forming a small corporation you can get free life insurance on your own life or your partners. All you have to do is have the corporation pay the premiums from corporate funds. These premiums are completely tax-deductible as a business expense. Benefits can be made payable to anyone, including members of your own family.

## **FREE MEDICAL CARE, DENTAL CARE, & PENSION PLAN**

There are definite tax advantages in medical plans with small corporations. There is a section in the Internal Revenue Code that allows small corporations to set up a medical plan for corporate members. It provides that the corporation can reimburse plan members for all their medical expenses and take such payments as deductions from their (corporate) income taxes.

And, on the other hand, the corporation members who received such payments are not required to list the amounts in their gross income. Thus, you or any investor, as corporation members can obtain free medical care for yourself and your dependents. You can also set up a very lucrative retirement and pension plan that can be invested and reinvested without tax payments — and the corporation receives full tax deductions from earned income for all payments into the fund.

For full information on forming your own corporation and setting up your own medical reimbursement plan, write to: *Enterprise Publishing Company, 501 Beneficial Bldg., Wilmington, DE 19801.*

## HOW TO GET A FREE CAR, RENT, FOOD, CLOTHING, MORE

In the next section you'll see how to avoid your taxes by starting a home-based church. Here I want to point out how you can obtain many things *free* as a result of starting your own church. There are basically two ways in which you can acquire merchandise free.

The first is when you consider as free, the value of the merchandise and services which would be lost if you paid your tax money to the government. With your own church, you can — in effect — take government money and buy a car, food, clothing, etc.

Secondly, once you establish your church, you become eligible to accept *donations* of clothing, food, books, or almost anything — and that includes *money*.

By taking a *vow of poverty*, you turn over all your income to the church and the church in turn furnishes you with everything you need. That includes all necessary expenses for food, clothing, furnishing your home, a personal car, health and life insurance, medical and dental care, and a host of other “educational expenses” such as travel to see foreign temples, etc.

The tax money which would ordinarily go to the government and be wasted feeding and subsidizing communist nations, will feed your own family instead. Under IRS codes (Sections 107 and 119), a church can make *unlimited expenditures* to maintain its parsonage. Furthermore, if a minister owns his own home, the tax codes allow him to deduct not only interest, but also *principal* payments necessary to amortize his mortgage.

Even without taking the vow of poverty, you can still donate up to 50% of your income to your church and have the church furnish you with a parsonage and automobile out of your tax money!

You can obtain a church charter from the Universal Life Church as explained in the next section. Or, if you prefer to start your own church from scratch by incorporating, write to the IRS and ask for forms 1023, pursuant to Regulation 501C3, and for Publication No. 557.

## SECTION TEN

### HOW TO AVOID TAXES – LEGALLY

Taxes have been despised since Biblical times. Today, with few exceptions, nobody really wants to pay taxes. The only reason most of us do is because we're afraid not to. But *tax avoidance* is perfectly legal. See below:

*“Anyone may so arrange his affairs that his taxes be as low as possible; he is not bound to choose that pattern which best pays the Treasury; there is not even a patriotic duty to increase one’s taxes. Over and over again courts have said that there is nothing sinister in arranging affairs so as to keep taxes as low as possible. Everyone does it, rich and poor alike, and all do all right; for nobody owes any public duty to pay more than the law demands. Taxes are an enforced exaction – not a voluntary contribution.”*

*Judge Learned Hand, Halvering Vs. Gregor,  
69 Federal (2nd) 809*

When the first Continental Congress convened in 1774, it proclaimed in the first paragraph of its first published statement that its purpose was primarily to resist payment of taxes. And that was not mere rhetorical show. Each of the 56 eventual signers of the Declaration of Independence was driven from his home and hunted through the countryside. Not one abandoned the Tax Revolution nor went back on his word. This is an example that speaks to us across the centuries.

Today a new tax revolt is occurring. The media had a heyday not long ago with their claims that the Proposition 13 furor was a tax revolt. This was only a *limited* revolt and a half-way measure at that. The real revolt going on is one over income taxes – and the media deliberately ignores this massive movement that is sweeping the country.

The Internal Revenue Service estimates that as much as \$6 Billion in *federal income taxes* were lost to the government in 1973 because millions of Americans *refused to file a tax return* or refused to incriminate themselves on tax forms.

Thanks to tax protestors and a growing underground economy in cash purchasing, the figure has swelled to an estimated \$30 – \$60 Billion dollars a year. Other experts put the figure at three times that much, around \$200 Billion a year. The National Spotlight recently reported that over 20 million Americans had now joined the tax rebellion.

Of the millions of tax rebels, about 100,000 have dared the government to retaliate by making public protest of their refusal to pay. Already there are 3,100 local and state tax-protest groups in the United States with a total membership of over 2 million, and growing daily.

People are getting fed up with government tyranny. For example, the cost of paying for government has been rising *seven times faster* than the growth of the population. Last year, the personal tax bite for just the *lower-level* income family jumped 25.7 percent. Federal, state, and local governments *already* take approximately 47% of your income.

Is it any wonder that a nationwide sampling conducted by the Harris Poll not long ago showed that 74% of U.S. taxpayers were willing to support an income tax revolt? This sentiment reflects high taxes, higher spending, and the mistaken idea that governmental services must be supported by force and coercion.

The Federal income tax, which takes the most from Americans, returns the least. The major part of income tax revenues is used to finance our growing welfare state and subsidize the millions of loafers and bureaucrats who sponge off the U.S. taxpayer.

If *you* are fed up with high taxes, then there is something you can do about it. The legal methods of tax avoidance in this section, and the other tax sheltered investments given later, can save you thousands of dollars each year. You must plan to reduce your tax obligations as much as possible if you wish to achieve any degree of financial security.

## **THE CHURCH METHOD**

An incredible loophole in the nation's tax laws means millions of Americans can set up churches and avoid paying income taxes. It's easy, and *perfectly legal*, says the Internal Revenue Service.

On January 28, 1975, the National Enquirer ran an article explaining the loophole. It was revealed through exclusive interviews with top IRS spokesmen in Washington, and they fear its use may spread like wildfire across the land. The spokesman flatly admitted that the IRS has been stymied in its efforts to halt this means of avoiding taxes.

### **Only a few simple steps are required**

- 1) **Become a recognized minister of an accepted religion. This isn't as difficult as it sounds. You can be ordained through the mails, for example, just by writing to the Universal Life Church, P.O. Box 1428, Lilburn, GA 30247. An ordination card will be sent upon receipt of a minimum \$10 donation.**
- 2) **Appoint a church treasurer and secretary. No problem. They can be your wife and daughter, or other adult relatives.**
- 3) **Obtain a church charter. Again, the Universal Life Church can supply you with a charter after you become a minister.**

- 4) Hold a religious service at your church at least once a week, and make sure at least three other people attend. Your home or even your garage qualifies as a “church” and your congregation can include your family or other relatives. You don’t have to pray or perform any kind of ritual – what you do at the weekly meeting is entirely up to you.
- 5) Turn all or part of your wages over to the church. If you wish to turn over all your salary, you must take a “vow of poverty” and so notify the IRS before the income is considered tax-free.  
Without a poverty vow, you can turn over only a percentage of your salary (up to 50%) – the rest is taxable.  
If your employer automatically deducts income tax from your paycheck, then at the end of the year you can apply for a refund of the tax withheld from any wages you gave to your church. But, you must also turn the refund over to the church since it is part of your donated income.
- 6) Go to an IRS office and fill out eligibility forms for tax-exempt status. You must go to the IRS – the agency will not come to you.
- 7) Take only a “modest” living allowance from the church to support your family, plus a “parsonage” allowance to pay for purchase or rental of your home and for household maintenance expenses such as electricity and water. You’re also allowed a car for church work, but you can also use it for personal trips.
- 8) Spend the remainder of your donation to the church for “religious purposes.” But that can cover anything from a new Bible, to a church-related trip to Europe to study Cathedrals, as an example. Or, you could spend church money to buy and furnish a beautiful spiritual “retreat” in some vacation spot.  
If you receive any cash other than these allowances and spend it for non-religious purposes, you must pay tax on it. This would be considered salary, and a minister’s salary is not tax-exempt.  
Your church is also required to keep detailed records of all transactions for the IRS.

Once you have followed these steps, you merely open a checking account in the church’s name and proceed to operate as tax-exempt. You will be exempt from federal income and estate taxation.



Additionally, depending on the state you live in, you will also be exempt from state income tax, property tax, and sales tax.

The technique described below explains how to establish your own tax-exempt university. Although it provides no means for avoiding personal income tax, certain other tax advantages and privileges can be obtained.

## **START YOUR OWN UNIVERSITY FOR UNDER \$50**

Since this country's Constitution states that, "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . .," it becomes relatively easy to establish your own school or university when it's established along religious lines.

Diplomas and degrees issued by these schools are valid because there are no definite requirements established as there are in state colleges. In most cases, it is perfectly legal to issue *any* type of degree whether it is of a theological nature or not. Two exceptions are degrees for law and medicine — these are controlled by the Bar Association and the American Medical Association.

There are many schools such as these which operate entirely by mail. And the schools receive thousands of dollars from simply selling degrees. In many cases, there are absolutely no study requirements to receive a degree — just a hefty fee of up to \$300 or so.

Not only do schools receive income from the sale of diplomas, certificates, correspondence courses, etc., but they are authorized to accept financial bequests, tithes, donations, and legacies. A school's benefactors have the added incentive to donate since their gifts are fully tax deductible. As the administrator of your own religious school, you can *set your own salary* and live as luxuriously as you like.

*How to establish your school:* First, file for a certificate of incorporation of a non-profit organization with the Secretary of State where the school is to be located. Second, file an application with the IRS and the Treasury department. Upon review, they will grant your university tax-exempt status.

## **AVOID PROPERTY TAXES**

Aside from living in a houseboat, there is another perfectly legal way to avoid your property tax. Once you have incorporated your own tax-exempt religious organization, you merely transfer title of your home to your school or church. Be sure to check with the state in which you incorporate to determine if you are complying with all rules and regulations.

## **AVOID SOCIAL SECURITY TAXES**

Once you become a minister, you are eligible to withdraw from the Federal Insurance Contribution Act (Social Security). By taking a “vow of poverty” you can be free of Social Security deductions regardless of the source of your income. Without the vow, you can only exempt yourself from deductions on income generated from ministerial services.

## **AVOID TAXES ON YOUR SAVINGS ACCOUNT**

If you place your savings in a bank earning 5.25 percent interest and you are in a 25% tax bracket, then your after-tax yield on your account is a measly 3.67%. Since inflation averages at least 10% annually, you are actually *losing* money. Even with the higher yields available with time deposits, you still don't keep up with inflation.

Why not turn your savings account into a tax shelter? You can do this by opening up an account in your minor child's name under the *Uniform Gifts to Minors Act*. Interest on such accounts is tax-free unless earnings exceed \$750 per year for each child. With you or your wife as custodian, you still have full control of the account and you can still claim your \$750 exemption for your dependent child on your tax return.

## **HOW BUSINESSMEN CAN AVOID TAXES**

A simple procedure enables you to end all Social Security taxes, unemployment insurance taxes, disability insurance taxes, and income taxes to be paid or withheld.

Just “fire” all your employees and make contracts with each person for his or her services. Since you no longer have employees, you no longer need to pay or withhold payroll taxes. There is a publication out entitled, *The Income Plan*, which gives forms and complete details on how this is done. It's available from Enterprise Publishing Company.

The employees of your company will receive their own benefits. They become independent businessmen, and as a result each of them has far more tax deductions. They can claim as business deductions part of their household expenses, telephone bills, auto expenses, and many other deductions.

### **Start a part-time business**

This is one of the simplest and most effective methods for reducing or completely avoiding any taxes on your main income. There are numerous expenses which you can write off in almost any type of business. Many businesses can even be operated from the comfort of your home. It's usually possible to convert your *hobby* into a home business.

## **Split business income with your family**

If your wife or children do some tasks for you in your business, you can pay them wages for their services and deduct the wages as an expense. In the case of your children, you can pay each child up to \$2,050 in wages and he does not even have to report it. This is because each dependent child is allowed to earn up to \$1,300 in wages, plus his \$750 exemption without taxation.

Keep good records of wages paid and set up "independent" bank accounts for each child and for your spouse to show their independence as wage earners.

## **Tax Havens**

You can do business tax-free in some cases by setting up your own corporation or trust in a foreign tax haven of your choice. You can set them up by mail without ever leaving your home. Most tax havens have no treaty with any other government and have a tradition of not furnishing information to other governments.

The following places are ideal for sheltering your income:

- 1) **Cayman Islands**
- 2) **Liechtenstein**
- 3) **Andorra**
- 4) **New Hebrides**
- 5) **Bahamas**

For more information write to: Office of the governor, Grand Cayman Islands, British West Indies; International Monetary Bank, 100 Grand Cayman, Cayman Islands; Business Monopol Anstalt, P.O. Box 34605, FL 9490 Vaduz, Liechtenstein; M.F. Valentyn, Seetra International, Casa Esteve Dolsa 4010, Avenida de L'Obach, Andorra, La Vella, Andorra.

Another fine publication available from Enterprise Publishing Company on the subject of tax havens is, *How to do Business Tax-Free*, by Midas Malone. It comes complete with tear-out forms and all the instructions you need to set up your own foreign corporation by mail.

## **OTHER METHODS TO AVOID INCOME TAX**

There are a couple of other methods for avoiding income tax that are worthy of mention. While these methods are being used by tax protestors, and often very successfully, they can lead to a showdown in court. Whereas the previous methods are 100% safe, the next two should be used at your own discretion.

## The Fifth Amendment Return

With this method, a tax resistor refuses to provide any information upon which a computation of taxes may be made. Rather than observing the directions for filing a 1040 form, the protestor submits a return proclaiming his Fifth Amendment protection against self-incrimination.

The otherwise blank return is signed and to it is attached a stack of documents that the protestor wishes to have considered as evidence in any court trial that might arise from his failure to cooperate with the IRS.

The material attached to the return, which must by law be entered into evidence, will usually include previous court decisions in dozens of cases and administrative pronouncements by the IRS that establish the legality of withholding information.

It is a direct violation of your Fifth Amendment rights if you are ever punished for your refusal to provide incriminating information on yourself. And while the IRS has a history of ignoring this right, there have been scores of cases upholding it.

Much confusion has arisen in the minds of taxpayers in the past, due to a lack of clear understanding in regard to Section 7210 Internal Revenue Code, which says: "Any person who, being duly summoned to appear and testify, or to appear and produce books, accounts, records, memoranda, or other papers . . . neglects to appear or produce such books, accounts, etc., shall upon conviction thereof, be fined not more than \$1,000 or imprisoned not more than one year, or both, together with costs of prosecution."

The above statute is used by the IRS to bluff the taxpayer into a waiver of his rights. Facing what appears to be, on the surface at least, an awesome penalty for failing to produce records, or answer questions, many needlessly frightened and harassed taxpayers capitulate.

"Appear or produce" is the key statement in 7210 above. The Supreme Court has decreed that one cannot refuse to appear in response to an IRS summons. After one has appeared, and asserted the right not to testify, answer questions, or produce records, one is not subject to prosecution, or any penalty under 7210. *Reisman Vs. Caplin*, Supreme Court, confirms this statement.

## No legal Money

While the Fifth Amendment return is a fine form of protest, many argue that it is a superfluous gesture since no one is legally obliged to file a tax return anyway. Due to our unconstitutional federal reserve notes, there is *no longer any legal money to tax!*

According to federal statute, a dollar is specifically defined as 1/42.22 ounce of gold, or 412-1/2 grains of standard silver. But no American citizen has been able to obtain gold or silver from the govern-

ment in exchange for paper money since March 18, 1968 — the last day that silver was available on demand for silver certificates from the Treasury.

Since that day, no one has received any lawfully defined dollars. And Tax Codes only require an individual to file if he has received, during the previous year, 750 or more dollars in income.

Users of the plan explain the above definition of a dollar in a Certified letter to the IRS. An "Affidavit for Taxpayer Protection" is enclosed which reads: *"I hereby swear under penalty of perjury that the following statement is true and correct in every particular: I have received no income since March 18, 1968."* The form is signed before two witnesses and notarized before mailing to the IRS.

If the IRS attempts to toss aside your affidavit and seize your assets, they commit a felony violation under federal law and violate your Constitutional rights. Proponents of this type of return say that no one who has filed this affidavit has had their assets seized.

If you want to join the fight against excessive taxes and stop IRS abuses, contact the following organizations: *The United States Taxpayers Union, P.O. Box 606, Camarillo, CA 93010; The National G.A.R.D., P.O. Drawer 187, Murrieta, CA 92362; Byron Foote, c/o Tax Free Foundation, 2515 Orange Avenue, La Crescenta, California 91214.*

## SECTION ELEVEN

### SMART MONEY INVESTMENTS

#### HOW TO EARN EXTRA INTEREST ON YOUR "NOW" CHECKING ACCOUNT

The latest development in the banking industry is the popular NOW accounts being offered by many banks across the country. The technical term for these accounts is *negotiable order of withdrawal*. These are essentially savings accounts which allow you to write checks against your balance.

Although these NOW accounts have only recently appeared in the 50 states through an act of Congress, there have been out-of-state NOW account banks for a number of years. Previous editions of PMWTR detailed these banks which are in Massachusetts and New Hampshire.

The advantage of using a New England NOW account, if you live in a state far removed, is the extra clearing time you have between a deposit and when a check arrives back at the bank for clearance. Thus, you mail in a deposit from California, say, and write a local check on the same day. You would still draw interest on money you have already spent! If you have a business with a high volume of deposits, the interest gain would have been substantial.

The two best banks are: *Coolidge Bank & Trust, 65 Main Street, Watertown, MA 02171; and Sugar River Savings Bank, Newport, NH 03773*. I believe these banks offer certain advantages over local NOW banks for some people.

For example, I have two local NOW accounts and one New England bank NOW account. I deposit money into one local account and then immediately write a check to the out-of-state account for the same amount. Because of my cash flow, I am able to write a check from Coolidge back to my second local NOW account and then pay business expenses from this one. Thus I realize roughly 12% interest on *money already spent!*

#### HOW TO EARN UP TO 22% INTEREST ON YOUR SAVINGS

Today it's possible to earn up to 18% interest off *Money Market Funds* and up to 15% off *Money Market Certificates*, which we will discuss shortly. There is really little point in utilizing a NOW account except for short term savings deposits. If you have at least \$1,000 you can invest in one of these instruments and not have to shuffle funds around.

But before interest rates went so high and before the New England NOW accounts started requiring waiting periods, it was possible to have several Massachusetts accounts and move the funds around to achieve

up to 15% interest. A check written from a bank across the street from another took 3 to 7 days to clear through the second bank.

Thus, depending on how often one wrote checks and how long they took to clear, it was possible to earn up to 20% on your money. Nevertheless, some of the mutual funds (listed later) offer the same checking privileges and the plan could be worked through these sources. I've also listed a few other sources for 15% and 22% yields on your savings, so you can STILL earn top interest.

For example, you can receive 22.8% interest on time deposits from the Korea Exchange Bank, 10 Kwanchuldong, Chongyo-Ku, Seoul, Korea. 3 month deposits pay 12% annually, 6 month deposits pay 16.8%, and 12 month deposits pay 22.8% interest.

You can also receive 13-½% p.a. on time deposits in Swiss francs, German marks, or U.S. dollars. The 13-½% annual yield is available on three year certificates, but shorter maturity certificates are available. Minimum investment is only \$1,000. A detailed report and application forms are available for \$5.80 from:

**Addo Anstalt  
Altenbachstr, 17  
Vaduz, Liechtenstein**

Another firm offering high interest on time deposits is *Walker & Associates, P.O. Box 314, Lilburn, Georgia 30247*. They offer up to 20% interest and the advantage here is that your money remains in the United States.

## **TREASURY ISSUES**

There are three forms of financial instruments offered by the Treasury which you may want to consider for investment. Not that Treasury issues will make you rich overnight, but they represent the ultimate in safety. Banks may fold, businesses may go under, cities and states even, may go bankrupt -- but the government, with its power to tax, cannot.

And what returns can you expect? During the peak of interest costs, mid 1979, Treasury issues were yielding as high as 14.5 percent, and somewhat more in some cases. By the end of the year, yields had dropped to roughly 10 percent, depending on maturity. However, Treasury issues do offer one major plus -- their interest is totally exempt from state and local taxation. Therefore, your after-tax returns are somewhat higher, especially if you live in New York State and New York City, both of which levy local income taxes.

## **Treasury Bills**

The interest rate on Treasury Bills varies with the money market conditions, but it is usually higher than a regular savings account. They also have short term maturities of as little as one week. And this can be an advantage if interest rates begin to rise — you can unload and reinvest.

Unfortunately, these bills have a hefty price — \$10,000 minimum, but they can be bought by organizing a group purchase. Sometimes the banks themselves organize one.

T-Bills pay no interest as such; their return derives from the discount from par at which they are sold. They can be purchased through your bank for a modest commission, or you can submit a commission-free non competitive bid at the closest branch of the Federal Reserve. Auctions take place every Monday; application forms can be secured at your branch office.

## **Treasury Notes**

These are issued in \$1,000 denominations with maturities of from 2 — 7 years. They're also exempt from state and local taxation. Like the bills, notes are offered at public auction and/or a secondary market. However, auctions of notes are less frequent than auctions of bills. Unlike Treasury Bills, the notes are offered with dated coupons attached to the note.

Yields on Treasury Notes hit 11 percent in August of 1979 on 33 month notes, but were running at roughly 9 percent by years end.

## **Treasury Bonds**

Interest on Treasury Bonds is also exempt from state and local taxation. Maturities range from 5-½ to 25 years. They represent excellent value if purchased during periods of high interest since returns are "locked in." Yields generally run slightly below Treasury Notes. Contact the information office of your Federal Reserve Bank for more information.

## **GOVERNMENT AGENCY ISSUES**

Other agencies of the federal government issue bonds to help finance their own operations. Although these investments are more speculative than Treasury notes, they offer higher returns and are regarded as reasonably safe. Some of these agency issues are also exempt from state and local taxation.

You can find out more about these issues by referring to your phone book for the U.S. Government Information Office.



Below are some of the government agencies which issue bonds.

**The Export-Import Bank**  
**World Bank**  
**Federal Land Bank**

**Federal Home Loan Bank**  
**Federal Intermediate Credit Bank**  
**Farmers Home Administration**

## **TAX-FREE MUNICIPAL BONDS**

Today, there are investment grade (A and BBB) municipals yielding over 18 percent. And it's *tax-free*. Tax on municipal bonds is always free of federal taxes and is usually free of state and local taxes.

The interest rate paid on municipals is related to the bond rating. Thus, a riskier bond will usually give a higher tax-free yield. Bonds with ratings of BAA (or better) have not defaulted since 1934, so don't ignore the higher yields on these bonds because of the risk factor.

Municipal bonds can frequently be obtained in quantity at issue or in secondary markets made by dealers who advertise in the financial press. Leberthal & Co., Inc., One State Street Plaza, New York, NY 1004, is one of the larger dealers willing to send price lists of recent offerings to inquirers.

## **TAX-EXEMPT MUNICIPAL BOND FUNDS**

The new tax law allows mutual funds to invest in state and local bonds and gives tax-free treatment to the interest income when received by the shareholder of the funds. The fund invests in many different types of municipal bonds with differing maturity dates. This flexibility gives you a semi-annual interest payment, tax-free of course.

The municipal bond fund overcomes some of the shortcomings of municipals. With the municipal bond fund, you can start with only a \$1,000 investment and have greater liquidity in redeeming your investment.

For more details about municipal bond funds, contact: John Nuveen Company, 61 Broadway, New York, NY. Also try Merrill Lynch and E.F. Hutton for their offerings.

## **MONEY MARKET FUNDS**

Sometimes called *cash management funds*, these are generally no-load, high interest bearing mutual funds. Although these money funds are structured similar to the traditional mutual funds, money funds invest their cash only in short term debt instruments. Examples are bank certificates of deposit, banker's acceptances, corporate commercial paper, and government issues.

Money market funds have in the recent past earned from an average of 13% to as high as 18% annually. Many of these funds even offer check writing privileges in minimum amounts of \$500 to \$1,000 usually. Since you can always withdraw your money by check, or by wire within 24 hours, your investment remains exceptionally liquid.

*Money Market Certificates* from local Savings and Loan institutions have recently yielded as high as 15-1/2% annually and are covered by federal insurance. Disadvantage: minimum \$10,000 deposit for 6 months.

An additional benefit is that most money market funds charge no sales or redemption commission — they collect their management fees from the cumulative fund assets. Even the checks are free with some funds.

Three of the most notable funds are listed below. The *Reserve Fund, Inc.*, was the first fund to be established and generally brings the highest yields. *Capital Preservation Fund* is regarded as the safest since they invest solely in government issues. *First Multifund for Income* offers perhaps the greatest liquidity of the three.

The Reserve Fund, Inc.  
1301 Ave. of the Americas  
New York, NY 10019

Capital Preservation Fund, Inc.  
459 Hamilton Avenue  
Palo Alto, CA 94301

First Multifund for Income  
32 East 57th Street  
New York, NY 10022

For a full report on every money market fund, send \$1 for the *Directory of Money Market Funds* to the Hirsch Organization, Six Deer Trail, Old Tappan, NJ 07675.

## SPECIAL BANK ACCOUNTS

### Gold and Silver Accounts

There is a *Special Gold Account* and a *Special Silver Account* being offered by Deak National Bank, Fleischmanns, NY 12430.

Both accounts work like regular checking accounts except that balances are kept in ounces of gold, instead of dollars. When you make a deposit, it is converted into gold or silver at the day's market price. When you make a withdrawal by check, enough metal is sold (at the day's market price) to cover your check.

Although you are charged 1% at the time of purchase and 1% on the sale of any metal, it is still a cheap way to buy gold and silver. (Many dealers charge 2% or more to buy gold bullion.) Any rise in the price of gold will represent a capital gain for you — or a capital loss, if the price is down when you sell.

An additional benefit to this type of account is that you can *borrow* against up to 50% of your balance at 8% interest! This offers an opportunity for some leverage speculation. As an example, you could deposit \$5,000 in a gold or silver account, borrow \$2500 at 8% interest, deposit the \$2500 back into the account — then borrow HALF of that, or \$1250, etc. Should the price of gold go up substantially in the meantime, you could make a considerable profit due to your increased leverage.

## Canadian Banks

Canadian banks offer *U.S. Dollar Accounts* for U.S. citizens. Your funds are maintained in U.S. dollars rather than Canadian dollars — thus avoiding exchange fees. In addition, you can withdraw your money at any time by check.

The bank of Montreal has paid from 6% to 15% annually on minimum quarterly balances in the past. The rate fluctuates each quarter depending on world interest rates. If you need to hold money outside the U.S., then Canadian banking may be for you. Write to:

**The Bank of Montreal**  
50 King Street West  
Toronto, Ontario Canada

**The Bank of Montreal**  
595 Burrard Street  
Vancouver, B.C. Canada

Unlike some foreign banks, accounts at Canadian banks are insured for up to \$20,000 each by the Canadian Development Insurance Corp.

## Multi-Currency Checking Accounts

There are several Swiss and other European banks offering *multi-currency checkbooks*. Checks have no denomination printed on them, so you can write a check in any major currency regardless of what currency the account was set-up in. The bank debits your account according to the day's exchange rate between the two currencies.

If you travel, this type of account can save you money by eliminating costly exchange fees generally found in hotels and stores. If you buy something in England, pay for it with your multi-currency checkbook by writing out a check for the amount in British pounds. Do the same in France, Germany, Switzerland, or wherever. If interested in this type of account, write to:

**Swiss Credit Bank**  
Paradeplatz  
8022 Zurich, Switzerland

**Swiss Bank Corporation**  
Aesschenvorstadt 1  
4002 Basel, Switzerland

**Foreign Commerce Bank**  
**Bellariastrasse 82**  
**8038 Zurich, Switzerland**

**Bankhaus Deak & Co., Ltd.**  
**Bankkommanditgesellschaft**  
**1011 Vienna, Austria**

Bankhaus Deak even pays a nominal interest on its multi-currency accounts. Even if your account is in Austria, you can still have it in Swiss francs.

### **European Savings Accounts**

In the past few years (except 1975), Swiss savings accounts have yielded a return of over 30% due to the appreciation of the Swiss franc. Ordinary Swiss savings accounts generally pay interest of only 3 – 4%, but due to the Swiss francs appreciation, an actual return of *over 30%* is possible. For example, Americans holding a Swiss franc savings account in 1974 obtained a 37% return for their U.S. dollars. Savings accounts in Swiss francs can be opened in any of the Swiss banks (or the Austrian bank) already discussed.

Banks in Holland also allow you to hold accounts in most currencies and they generally pay higher interest rates than Swiss banks. Write to the following bank for more information:

**Amsterdam Rotterdam Bank**  
**P.O. Box 1220**  
**Amsterdam 1000, Holland**

You can earn 13 to 17% annual interest on time deposits in some Danish banks. The bank listed below requires a minimum deposit of \$1,000. However, earnings are in *Danish kroner*, and if during the time of the deposit, the kroner depreciates in value, you'll earn less than 17% in terms of dollars. Conversely, if the kroner appreciates, then of course you'll earn more. Write:

**Bonusbanken**  
**2, Vester Voldgade**  
**DK-1551, Copenhagen V, Denmark**

Time deposits are also available from another Danish bank which pays high interest. In this case, you buy *shares* from the bank. Write:

**Finasbanken**  
**P.O. Box 298**  
**DK-1501, Copenhagen V, Denmark**

Your money is not insured in either Danish bank, so you shouldn't commit your life savings to either of them.

## INVESTING IN GOLD

No prudent investor should be without some form of gold as a hedge against future currency debasement and inflation. You should be aware that gold may not appreciate during periods of prosperity, but those periods are precisely the time to buy.

You have already been shown how to buy gold through a Special Gold Account offered by Deak National Bank. Below and on the next page are several additional methods of investing in gold.

### Gold Coins

When investing in gold coins it is best to leave coins of numismatic value to professional dealers and experienced collectors. When buying gold coins for investment, always choose those which have a low collector value but a high intrinsic value as a proportion of their price.

To learn the actual premium over gold content for which a coin is selling, first find the current price of gold, say \$200 per ounce. Then take the current price of the coin and multiply it by the number of ounces of gold in the coin. The South African Kruggerand, for example, contains one ounce of gold. With gold at \$200 per ounce, each Kruggerand will contain \$200 worth of gold. If it sells at \$220, the Kruggerand will be changing hands at a 10 percent premium over its gold content. You should pay no more than a 10 percent premium for any coin purchased strictly for gold investment.

The Kruggerand, Mexican Peso, Austrian Korona, and the Hungarian Korona fit the necessary requirements. You should be able to secure all these coins at premiums of 10 percent or less. Listed below is their gold content in ounces.

Kruggerand, South Africa	1.000
50 Peso, Mexico	1.2056
20 Peso, Mexico	.4823
10 Peso, Mexico	.2411
100 Korona, Austria	.9802
100 Korona, Hungary	.9802

Right now you can buy gold coins just about anywhere — through coin dealers, brokers, stock exchange houses, banks, and department stores.

## Gold Bullion

There are many disadvantages to buying gold in bullion form. For instance, when you purchase bullion in smaller quantities, you pay anywhere from 7 to 20 percent above open market price for gold. This is the cost of fabricating gold into bars. In addition, you must lay out money for shipping, handling, storage, insurance, etc. And finally, you may have to pay for assay upon sale to verify the size and quality of your bars.

For these reasons and more, it is best to stick to the other recommended gold investments. If you do decide to buy bullion, pick the largest and purest bars you can afford and deal only with well known fabricators.

## Gold Stocks

The price of gold reacts radically to fears of inflation, the solvency of banks, and other related matters. At this time, most gold stocks are yielding from 10 – 40 percent. When the next round of superinflation gets under way, the price moves of these securities may be very substantial.

Since this is a highly specialized form of investment, you should do business only with a broker who is familiar with mining stocks. Check with a few of the better known brokerage houses in the nearest big city.

## The Gold Futures Market

A *futures contract* represents your agreement to buy a stipulated amount of a commodity at a specified date at a specified price. Suppose you contract for delivery of 100 ounces of gold. Come the last trading day of your contract, you will be required to take possession of those hundred ounces. But the idea is to sell out before that date, speculating that the price of gold has increased in the meantime.

Since you purchase these contracts *on margin*, tremendous financial leverage is possible. For instance, suppose you purchase a contract for 100 troy ounces on the International Monetary Market. If gold is selling at \$200 per ounce, your contract is for \$20,000 worth. But your margin deposit might be only \$1300 (margin requirements vary.) If gold rises from \$200 to \$250 per ounce, you profit 25 percent, or \$5,000! Since your gold investment was only \$1300, that comes to a gain of 384.6 percent. Not bad.

Of course leverage can work *either* way. If the price of gold falls instead, by only 6.5 percent, you've lost your entire \$1300. This is a gambit for speculators who can afford to take the risk. But, with

a little study and experience, gold futures contracts can make you rich in a hurry. If speculation appeals to you, contact the exchanges themselves for more information. Here are the names of a few:

Chicago Board of Trade  
141 W. Jackson Blvd.  
Chicago, IL 60604

Commodity Exchange, Inc.  
81 Broad Street  
New York, NY 10004

International Monetary Market  
(Chicago Mercantile)  
444 West Jackson Blvd.  
Chicago, IL 60606

New York Mercantile  
Exchange  
6 Harrison Street  
New York, NY 10013

### Currency Futures Market

If you're into speculative investments, the Currency Futures Market offers a unique opportunity to make a fast killing.

The International Monetary Market (listed above) trades in futures of nine currencies: *Canadian dollar, German mark, Mexican peso, Swiss franc, Dutch Guilder, Japanese yen, Italian lira, French franc, and British pound.* Contracts range from 1.25 million yen for \$44,000 to \$250,000 deutschemarks for about \$98,000 (At the time of this writing.) New contracts appear in each currency every three months and run for up to 18 months.

The financial opportunity is very great because of the leverage. Margin requirements are as low as 1-½% of the total contract. This is very low when compared to the average margin required in other commodities such as soybeans, porkbellies, etc., which can be as high as 10% of the contract value.

In periods of high inflation, unstable currencies, and world events, the floating and fluctuating exchange rate give the informed speculator a chance to make very high returns. A notable example occurred in 1979. An investor could have contracted to sell the September 1979 mark contract on March 29, 1979 when the mark was worth 39.68 cents, putting up only \$4,000 of his own money. Had he bought back on April 4 when the mark eased to 39.20 cents, he would have made \$1,555. This represents a 39% return of his investment in a period of *two weeks!*

You can get a free newsletter on currency futures and some expert trading advice from: *Heinold Commodities, Inc., 222 South Riverside Plaza, Chicago, IL.* Of course brokerage houses themselves, such as Merrill Lynch, issue regular opinions on the futures markets. It is also my understanding that the International Monetary Market even offers an inexpensive home-study course on trading currency futures.

## OTHER INVESTMENTS

For \$10 you can take a chance in Uncle Sam's monthly oil lease lotteries. According to the Wall Street Journal, one man made a million dollars on his! For detailed information on how this works, write to: Petroleum Investment & Research, 654 S. 9th East. Salt Lake City, Utah 84102.

It is possible to make money on stocks and bonds with no investment using the "free rider" technique. For a complete explanation of how to do this, order the paperback, *Anyone Can Still Make a Million*, by Morton Shulman. Write to: Bantam Books, Inc., 414 East Golf Road, Des Plaines, IL 60016, for the current price.

You can speculate in U.S. Treasury Bonds on 5% or 10% margin and often double your money in a period of 90 days with proper timing. You put up 5% of the cost of the bonds, borrow the rest from a bank, and use the bonds as collateral for the loan. For a detailed explanation, order the book, *Sophisticated Investor*, by Burton Crane, from: Simon & Schuster, Inc., 1 West 39th St., New York, NY 10018.

Oftentimes you can get a good return by putting up "standby capital" for a building venture. If the jobs need additional capital, you provide it; if not, you still get a return for offering it. Your local banker can put you in touch with many sources. Some banks also offer what is called "construction paper" with yields of 15% or better.

### Investing in Coins

There's money to be made in coin collecting if you take time to learn about the investment. For instance, the Numismatic Funding Corporation has issued a report showing the rate of gain for coins from 1975 to 1980 at 26 percent. The average coin gained 43.2 percent in value between late 1975 and late 1976 with gains for most continuing through the first quarter of 1981.

If you're interested in this type of investment, read all the books on the subject you can find and consider joining the American Numismatic Association, P.O. Box 2336, Colorado Springs, CO 80901. At least one company, Numismatic Funding Corporation, Inc., 333 Jericho Turnpike, Jericho, NY 11753, has arranged for a coin collector's Keogh plan.

### Investing in Stamps

In 1967 the post office issued a 1-¼ cent stamp called the "Gallatin." Since regular postage at that time was 5 cents, you needed four of these stamps to mail a letter. Today, a block of four of these stamps sells for



\$12.00 to \$14.00. That's an appreciation of roughly, 25,900%. If you had invested a thousand dollars in this manner, it would have returned more than a *quarter of a million dollars in just seven years!*

A thousand dollars invested in the 1972 Cape Hatteras stamp would have grown to \$62,500 in twelve months! And right now there are *similar* opportunities to invest in U.S. stamps. Furthermore, it is perhaps the safest of all investments since they can never be worth less than what you paid for them! The only way they can go is UP.

I have explained *exactly* how to go about selecting these stamps for the largest gain in Volume 3 of PMWTR. Order from the publisher or distributor who sent you this volume.

## **HOW TO BECOME A MILLIONAIRE WITH \$20 WEEKLY DEPOSITS**

Already you've been shown literally dozens of plans and methods for making a large fortune quickly. All of these are tested, proven methods many people have used and continue to use in making their fortunes. But let's say you decide you don't want to use them — then there are still two *guaranteed* ways for anyone to become a millionaire!

- 1) Invest a lump sum of \$10,000 where you can receive a 15% return compounded annually.
- 2) Invest \$1,000 each year where you can receive a 15% return compounded annually.

With the lump sum method, you will accumulate \$163,670 in 20 years. In 35 years you will have amassed \$1,331,800 — *well over a million dollars!*

By depositing \$1,000 each year using method two (which is less than \$20 per week), you will have \$117,810 in 20 years, or in 35 years you will have accumulated \$1,013,346.

Such is the magic of *compound interest*. Of course these figures assume that taxes on interest are paid from some other source, or that you defer taxes through an IRA or Keogh plan. You can delay or completely avoid taxes altogether using some of the other plans I've given you and your money will compound freely.

Before you say it, the answer is *yes*, 20 — 30 years is a long time. But then I expect you to make more than the minimum deposits too. With a good investment, you can achieve a return far in excess of 15% as well. For instance, *real estate* offers a typical return of from 15% to 40% annually. A return of *60% per year* is possible by specializing in older low cost apartment investments. For details, write to: AFS, Box 1428, Lilburn, GA 30247.

## CONCLUSION

Now that you've finished this book, I'm sure you've found many ideas you can use to build your fortune. Still there is much more information available to help you make your fortune. The books and courses listed in the next few pages can help you achieve your goals even faster.

If you are thinking about starting up a business in your community and aren't sure what kind to start, then do this: Call up your phone company and ask them to send you copies of the yellow page phone books from several big cities such as New York, Chicago, and Los Angeles. When you receive them, look through the ads for types of businesses which are *not* operating in your community. This is a sure way of finding out what business might go over well.

I also recommend that you subscribe to the newsletter, *International Money-making News*. Each issue features loan sources, business start-up details, money making ideas, finders fee offerings, wholesale product sources, and free ads for subscribers. Write the publisher for details.

"*Ideas control the world,*" proclaimed James A. Garfield, twentieth president of the United States. If there were room, I could list literally *hundreds* of success stories of people who started with nothing but an idea and made millions. And that's all you really need — just *one good idea!* Joe Karbo got an idea for a book which he expected to make \$50,000 from. Instead, he made over 2-½ MILLION dollars. Moral: Your ideas may be worth a lot more than you dare believe, but they're worthless unless you TRY them.

If you are not a subscriber now, write to one or more of the business opportunity magazines listed below and ask for a 5 month trial subscription. Each magazine gives *hundreds* of opportunities and IDEAS each month.

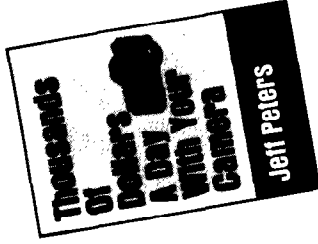
Money Making Opportunities  
11071 Ventura Blvd.  
Studio City, CA 91604

Specialty Salesman Magazine  
6285 Barfield Road  
Atlanta, GA 30328

Salesman's Opportunity  
Suite 1405  
6 North Michigan Ave.  
Chicago, IL 60602

Spare Time  
5810 W. Oklahoma Ave.  
Milwaukee, WI 53219

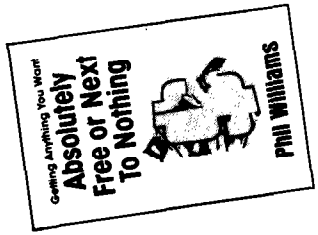
Remember the advice J. Paul Getty gave us, "*To acquire wealth, you MUST be in your own business.*" So, decide what type of business you would be happy in and *get started!* The world is full of dreamers. Only the DOERS succeed.



## THOUSANDS OF DOLLARS A DAY WITH YOUR CAMERA

How would you like to get paid \$100 for each picture you take? You don't even have to be a skilled photographer. Take ten pictures an hour and put \$1000 in your pocket. Imagine becoming financially independent with this revolutionary method of making money with a camera. If you own any type of camera, you can put this plan into effect immediately. Thousands of dollars can be yours for only taking some snapshots. You don't have to know how to develop film, you don't need a darkroom and you don't really need to know anything about photography. Here is a business you can set up right away.

As soon as you receive this book, you can be making thousands of dollars a day. All you need to do is aim your camera, take the picture and the money is yours.



## GETTING ANYTHING YOU WANT ABSOLUTELY FREE OR NEXT TO NOTHING

Can you imagine having free products sent to you everyday? It's possible with this system I've developed. In addition, you can pay pennies on the dollar for almost anything. It's yours just for the asking. This includes jewelry, designer clothing, automobiles, stereo and electronic equipment and cameras. This book shows you how and where to get them and then turn around and sell them for a fantastic profit. It tells you how to buy goods at auctions, bankruptcies and closeouts where your cost can be just 10 cents to the dollar.

Once you start finding these bargains, your friends will be stalking you to get these outrageously low prices for them. They will know they have been paying five and ten times what you are paying for the very same thing.