THE BUSINESS OWNER'S BLUEPRINT FOR BUILDING WEALTH

HOW TO STRATEGICALLY CONSTRUCT A WEALTH PLAN THAT GOES TO WORK FOR YOU

CUTTING EDGE INVESTMENTS, INC.
GAIN THE EDGE

- Learn why relying only on your business doesn't prepare you for the future
- Discover a little known financial asset that produces cash flow today
- Uncover the best investment strategy that gives business owners the edge

Most business owners wonder:

Will my business allow me to retire and have the life I want someday?

They work incredibly hard each and every day, yet they aren't certain what will remain when they are ready to retire.

They worry about how their families would be cared for if something happened and they were no longer able to provide for their loved ones.

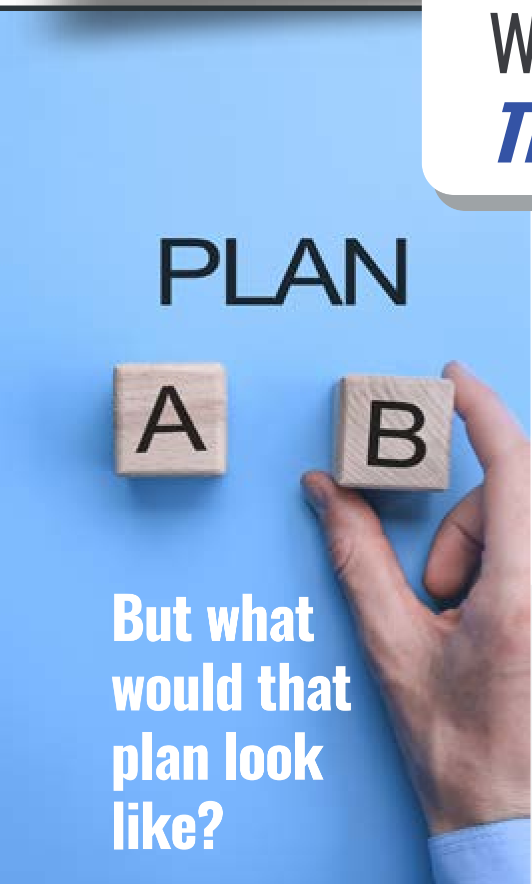
> ***Does this describe you? It certainly described us - before we found a way to leave the 'rat race' and build something better for ourselves and our families.***

As business owners our entire professional careers, we were successful in that we were able to provide for and support our families with a comfortable lifestyle; but we knew that something was missing - we were too busy working in and working on our businesses to develop a backup plan for our future and for retirement. While we both loved our jobs and the ability to help people through ways in which we were uniquely qualified, we hadn't been able to accumulate assets or build cash flow outside of our businesses.

We also knew that although the businesses had value today – because they were producing income – there was no guarantee of their value at the moment we decided we were ready to sell. No one has a crystal ball, and the potential pain of regret from inadequate planning weighed heavily on our minds.

Research showed we were not alone. According to the United States Chamber of Commerce, "Self-employed individuals have a lot on their plates, including financial obligations like business taxes and payroll, so saving for retirement often gets pushed down to the bottom of their priority list." And, "Even more troubling is the fact that nearly 70% of American small business owners surveyed by Paychex report having little to no confidence that they'll be financially prepared to retire by age 65".[1] The U.S. SBA found that small business owners over 50 are less likely than their employees to have a well-funded retirement plan.[2]

We thought,
There has to be a better way.



But what would that plan look like?

Most financial authorities agreed that business owners absolutely need a Plan B.[3]

We came to understand, respect, and appreciate the importance of building an alternative plan for our families' financial future.

We saw the value of passive income, which is income that arrives in your account based on work previously done. Active income, by contrast, is the type that comes from trading time for dollars.

Like many others in our generation, we had been brainwashed by the mantra of Wall Street:

> “Work hard, invest consistently in the market, and you will be able to retire comfortably.”

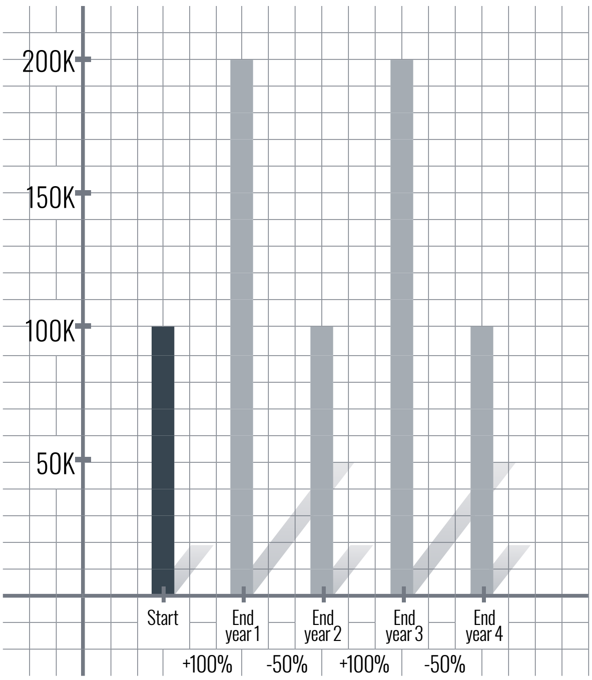
We learned that didn’t work for many reasons:

1 We had lived through the Great Recession and had seen our own portfolio values in the equities market literally decimated within days. Would there be any guarantee of protection from a repeat as we neared retirement?

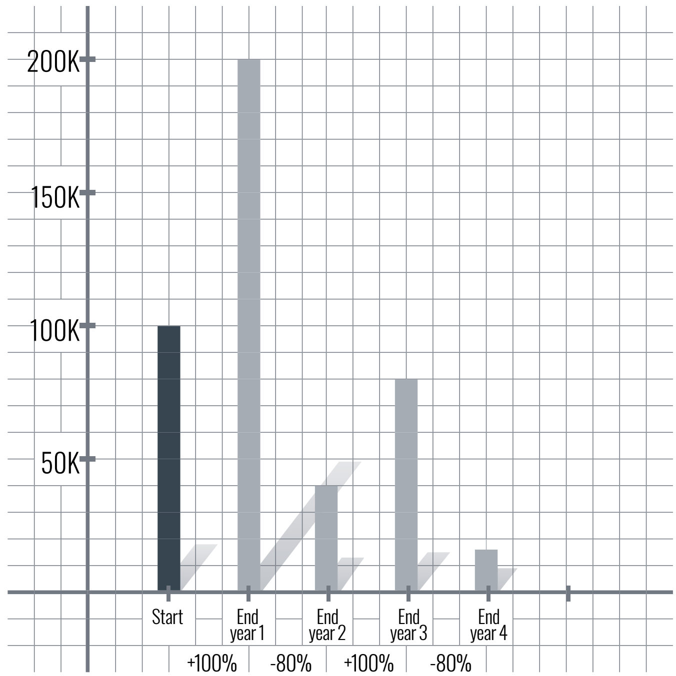
2 We had learned the value and definition of a real asset which, simply put, is a tangible asset whose value can never reach zero. Income-producing real estate is a real asset. This is not true of a mutual fund, exchange-traded fund (ETF), or 401K retirement plan.

3 We had experienced (the hard way) the illusion of “average returns.” The market may tell you, for example, that an average return for a period of time is 10%. But the mention of actual returns is typically avoided.

The following scenarios illustrate the difference, and it can be tremendous:



Average Return 25%
Actual Return 0 %



Average Return 10%
Actual Return –84%

The essence is that if you lose 50% of an investment, you need a 100% return to merely break even.

As we looked beyond Wall Street, we first considered real estate investing. There seemed to be a strong correlation between owning real estate and developing long-term wealth. Indeed, we found that 90% of current millionaires achieved that status through real estate ownership. This has been true at least since the Andrew Carnegie era, over 100 years ago.[4] We knew that passive income from real estate investing could help satisfy our need for a viable backup plan.

We were quickly talked out of it. ***"That's risky,"*** family and friends would say, ***"You could lose everything."***

We were seeking a way to avoid trading all our time for dollars - and we realized that the people giving us advice knew nothing BUT trading time for dollars! We reflected on the reasons that we sought a dependable investment in the first place.

Everywhere we looked, we saw the writing on the wall:

"Just how ill-prepared? According to a report from the National Institute on Retirement Security half of American families aged 56 to 61 have less than $21,000 in retirement savings, according to a study from the Economic Policy Institute, and 40% of older Americans now rely solely on social security as their only source of income in retirement." [5]

Bankrate found in a 2019 survey that only 26% of U.S. workers are saving the recommended 10-20% or more of their income (and 21% aren't saving anything)[1], and Forbes found that almost half of workers aged 25-61 had nothing at all saved for retirement at the start of the recession.[6]

Remembering our dreams and our vision for the future, we decided to go against the advice of the armchair experts...to take the road less traveled. We invested in real estate, purchasing income-producing, single family homes.

What did these changes to our mindset help us to achieve?

A greater cash-on-cash return than anything on Wall Street.

BUT, we had to self-manage and deal with tenants and toilets

Excellent tax advantages.

BUT, we had vacancies and periods of negative cash flow

The benefit of inflation working in our favor (because interest rates increased while the rate on our debt was fixed).

BUT, we invested in an area and a time of steady or declining property values, so we experienced minimal appreciation.

We felt as if we were pushing a massive boulder uphill, by ourselves.

We didn't want to admit (to ourselves and especially to those who had warned us) that we were ready to quit, but we had become frustrated and deep down we questioned our resolve. Real estate was supposed to be a better investment in so many ways, and now our properties seemed like a nuisance that was taking up too much of our time. We managed to persevere...and by having the strength to keep working and continuing to moving forward, we were able to learn and experience one of life's great lessons: ***the true meaning of leverage.***

***Leverage:* To use something to maximum advantage.**

> **"Give me a lever long enough, and a fulcrum strong enough, and I can single-handedly move the earth."**

– Archimedes
(287-212 B.C.; Greek mathematician, physicist, engineer, inventor, and astronomer)

We knew we were already leveraging debt to acquire properties, as we were providing 20% to the bank's 80% for acquisitions. We didn't want to increase our financial leverage, because we could be ruined in another economic downturn (many over-leveraged real estate investors were bankrupted in the Great Recession because they could not pay their mortgages.)

To paraphrase Warren Buffet

"The most important return is not a return **ON** your investment, it is a return **OF** your investment."

What Was Our Epiphany?

The realization that the benefit of leverage is not limited to debt.

It also applies to:

1 **Capital:** we could leverage financial resources other than debt (investments from ourselves and others) to purchase and develop real, income-producing assets.

2 **Relationships:** we could leverage our network of skilled tradespeople to build and rehabilitate properties.

3 **Experience:** we could leverage our own knowledge and skills (and lessons we had learned early on from our mistakes) to complete more projects with appropriately leveraged debt, capital, and relationships.

4 **Repeatability:** we could do this again and again. As long as we were not over-leveraged financially, our capital and our investors' capital remained safe. As long as we didn't overwhelm our subcontractors, they were more than happy to give us excellent work because they knew 1) they would get paid and 2) we would have another project lined up soon after.

At this point of maturity in our investing career, a lesson taught by Robert Kiyosaki (author of Rich Dad, Poor Dad and the #1 best-selling financial author of all time) become apparent:

Real estate can provide an infinite return on investment.

Here's how:

When a real estate investment is refinanced and the invested capital is returned, the investors remain owners and continue to experience cash flow. Since they no longer have capital invested in the project, they are receiving an infinite return.

We knew that Wall Street could not provide anything close to an infinite return, so we continued to apply the lessons that we had learned. What started as a transition away from single family residential properties progressed into owning and building commercial strip malls, professional office buildings, and multi-family residential developments.

How This Knowledge Changed our Financial Trajectory

What we experienced seemed to follow the law of attraction – after completion of a project, another opportunity presented itself. At the same time, other friends, acquaintances, and relatives were noticing our progress. They approached us and asked for assistance with their project or to participate in ours. We felt that we had developed a repeatable process because new opportunities kept coming our way.

What we learned and continued to execute is known as a *real estate syndication* – a real estate deal structure that is passive, conservative, produces cash flow, creates fantastic tax benefits, and provides consistent returns.

We continue to syndicate real estate investments – both acquisitions and new developments – and we also enjoy teaching others how to do the same. All our experiences, mistakes, and successes play a role in who we are today.

It's not possible in the stock market, but it is with real estate.

What's Next For You?

We've all been told that if we work hard, save for the future, and invest in the market, our investments will take care of themselves. But things never seem to work out that way on their own. Have you ever wondered how others always seem to have the edge in life? Have you wondered, what must they know that you don't?

You've seen how we managed to break free of the 'rat race' and build a better financial future...

But what steps are YOU taking to secure your own financial future?

We can help you gain the edge that has been missing.

Join our Investor's Club and receive:

1. *An invitation to our membership site and Facebook community where you can learn more about real estate investing.*
2. *Exclusive access to preview and learn about our new investment opportunities as soon as they enter the planning stage.*
3. *The mentorship of both Lee and Matt – two normal working guys – who have both found the way to build financial security through real estate investing.*

Join our Investor's Club and let Cutting Edge Investments show you how to gain the edge in your financial future.

"It's important to learn from your mistakes, but it is better to learn from other people's mistakes, and it is best to learn from other people's successes. It accelerates your own success."

– Jim Rohn

(1930 – 2009; American entrepreneur, author, and motivational speaker)

Join

About

Matt Weidner is co-owner and Chief Operations Officer of Supreme Floor Covering, Inc., a four location multi-million dollar specialty flooring operation in Mid-Michigan. Matt's client base includes thousands of commercial, construction, and residential customers throughout the Michigan area. Matt is also a real estate developer and owns multiple commercial and residential properties. Current projects include development of storage units and a residential multi-family project.

Matt and his wife, Sara, have one son, Ethan; and two daughters, Carli and Allie. In his free time, Matt enjoys golf as well as giving back to his community through serving on the Nathan Weidner Foundation, a local 501(c)(3) charity. Matt is a member of the Bay County Home Builders Association and Bay Area Chamber of Commerce, and contributes to many other charities within the mid-Michigan area.

Contact Matt at Matt@CEassets.com.

Dr. Lee Newton is an optometrist, real estate developer, and musician. Lee has real estate and construction experience as a landlord, general contractor, and syndicator; his tenants include billion dollar corporations. Current projects include overseeing construction of a medical office building as well as a residential housing development.

Lee and his wife, Mollie, have two daughters, Anika and Chloe. His community involvement includes the founding of an eye care charity, Rotary membership, serving on the Board of Directors of McLaren Bay Region Hospital as well as its Charitable Foundation, and serving as Chairman of the Downtown Development Authority of Bangor Township, Bay County, Michigan.

Lee is a contributing author to the #1 Amazon best-selling ***Desire, Discipline & Determination: Lessons From Bold Thought Leaders.***

Contact Lee at Lee@CEassets.com
or learn more at www.DrLeeNewton.com.

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