Ep #213: Mike Zlotnik and Ryan Parson - Real Estate Syndications - What You Need to Know Before Investing

Full Episode Transcript

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Dr. David Phelps

Dentist Freedom Blueprint with Dr. David Phelps

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David Phelps: Good day everyone. This is Dr. David Phelps of the Freedom Founders Mastermind Community and the dentist of Freedom Blueprint Podcast. Today, we're gonna talk about alternative investments, that being real estate, which is what we love to do in Freedom Founders. What I think we're really good at doing, but in particular, we're going to talk about syndications. That's the world of syndications. Everything you need to know before you start investing.

With me today, are two people that I have become long, fast friends with who are people that are incredible in the industry. Their knowledge base, their track record, experience, history, really it brings so much to the table and that's what we enjoy with our collaboration.

So let me first introduce good friend, Mr. Mike Zlotnik. Mike, how you doing sir?

Mike Zlotnik: I'm great. How are you David?

David Phelps: Good, good. So Mike is the Fund Manager at Tempo Opportunity Fund. His specialties are real estate debt and equity investments, fund to managements, operational leadership and financial engineering, business intelligence, risk management, business process engineering and optimization, software development and lifecycle management. Also with me today, another really good friend from years back, years back is Mr. Ryan Parson. Ryan, how are you sir?

Ryan Parson: I am very well, David. Thank you very much for having me today. Great to be here with both of you guys.

David Phelps: Thanks for being here. We have so much fun doing what we do together. Ryan's got a lot of initials after his name. I'll try to figure out what they are. MBA, I think I know what that is. CFP, Certified Financial Planner. CHFC, I think that's Charter Financial Consultant. Am I correct? Did I get that right?

Ryan Parson: Yes, sir.

David Phelps: All right, good deal. So Ryan's specialties, investment analysis and portfolio management, acquisition of REOs, and institutional paper, identification in management of positive property rehab properties that is residential and commercial, financing and raising private institutional capital.

So for my listeners today, please understand, I probably spit out a lot of big words that you're probably going, what the heck is this about? We're going to break this down and make it as simple as we can because we realize there are a lot of you listening today that have started to look at alternative investments. Again, particularly in real estate, or you've had some involvement with some, or maybe you're just interested in hearing more about it.

So we're going to try to keep this relatively simple. Realize that what we're talking about today, we can do a four week course and never touch all the bases. You agree, gentleman?

Mike Zlotnik: Absolutely.

Ryan Parson: Very much so.

David Phelps: All right, let's start with some simple definitions. So Mike, I mentioned we're going to be talking about syndications. Could you just give me in short, what you would consider a syndication.

Mike Zlotnik: Syndication is typically an investment project where you have many investors pulling their capitals through the pulled investment vehicle, some kind of LLC and invest in typically single asset. That's the different between syndication and a fund. Fund may have many assets. Syndication just has one asset. Many investors want asset for the pull vehicle.

David Phelps: So we're investing in something like a specific multifamily complex source, self-storage unit or something of that nature. Where the actual asset's identified and so Ryan, you want to add any context to that?

Ryan Parson: Sure. The only thing maybe to add to that, David, is to what Mike gave a great definition of, is it's typically a one-time raise. So the deal sponsor's, whoever's managing the asset is typically going into the private investors for a single onetime raise and then all the investors are in that deal for the life of the syndication.

David Phelps: Where's with the fund? So differentiate that with a fund? What's the capital raise look like they're?

Ryan Parson: Sure. So the fund has got a couple of different opportunities. If it's a closed-ended fund, it may be a single raise like a syndication, but typically, you're going to have multiple assets in the fund versus a syndication, as Mike said, is just one asset.

Comparing that to an open-ended fund, will have a lot of assets but will constantly be raising new capital to buy additional assets and that can also allow investors to redeem out of the fund to more open-ended fund because it's an ongoing business entity.

David Phelps: Got it. There's a term out there that a lot of people probably heard about and that is crowdfunding. Mike, give me again just a little bit of a definition of what crowdfunding is as it also relates to our topic today of syndication or specific funds.

Mike Zlotnik: Sure. Crowdfunding is a syndication on steroids, in essence. A lot of technology players have come forward putting together software platforms for credited investors to participate in syndications. So crowdfunding is generally that. Where a larger project, multifamily or self-storage or office building is syndicated through a crowdfunding platform and crowdfunding is a little bit more of a local phenomenal. People like to invest into local projects, but it doesn't have to. You could buy a piece of a building far away as well. Crowdfunding, these pieces that investors buy are often very small. So when you have a syndication, they'll typically have a menial of 50,000 or $100,000.

On a crowdfunding platform, maybe selling a $1,000 pieces. The software platform, the crowdfunding platform enables all the technology support to be able do tax work and to be able to distribute dividends and so on, so forth. Without the crowdfunding platforms, it'd be very hard for small investors to participate in indications because of the capital necessary to participate.

David Phelps: Yeah. Thank you. Ryan, you want to add to that?

Ryan Parson: Yeah. The only thing to say with that, like Mike said, with the smaller amounts of capital that you can generally deploy, sometimes as low as $500 or even a couple of hundred bucks. It's more by definition, the crowdfunding where you've got all of these investors and really nobody knows each other. It's not like a syndication or fund where you necessarily know each other, but it's generally being run and at a larger level where you as the investor don't necessarily know even who the key players are, who's running the crowdfunding site, who's even actually running the deal.

It's really more of ... You can think of it as an introductory platform, particularly as a new investor, to get access to. Although, a lot of seasoned investors have found, the degree of success in the crowdfunding space. But I think the syndications and the funds tend to be more of your formal type of structures or access points into private deals.

David Phelps: Right and following up with that, what would be some of the benefits, some of the pros of utilizing syndications as an investment vehicle?

Ryan Parson: Well, there's probably a couple elements, both from the deal operator side, David, as well as the investor side. I'll maybe take the investor side from it and maybe Mike can talk more about the deal operator side.

But from the investment side of a syndication, as we were talking about earlier, it's generally a single asset that goes into the syndication. Keep in mind, the syndication is just an access point to the actual, whatever the underlying investment. Like we were talking about of multifamily apartment complex, for example.

So from the investor's perspective, part of the pro with that is that you get access to the asset without having to go and have done all the work to go find the asset, worrying about managing the asset. And because it's a singular asset, you can generally see through a well defined, in a well built pro forma statement more clearly about what your returns are going to be as it relates to that asset class.

So the syndication is just the vehicle and allows you to get a piece of the deal through a relatively small amount. Usually you see minimums of 50,000, 100,000, maybe 200,000. So it allows you to be a part of a bigger project with a relatively smaller amount of investment capital.

David Phelps: Mike, do you ...

Mike Zlotnik: Sure. I'll jump on the other side. So Ryan, I think described the investor side. On the project sponsor side, there's a couple of major benefits. So number one benefit, the project sponsor could go to an institutional investor and try to raise capital from them. In general, the terms would be worse for project sponsor. So they go to syndication route. Syndication route could generate the same amount of capital for the sponsor or the operator at a significantly cheaper terms.

And that's why it's critically important for investors to understand syndication and the terms, so they don't get into bad syndication that is heavily beneficial to the sponsor. So that's the primary focus of the sponsor, is to raise relatively soft capital. There are plenty of sponsors who raised very professional syndications at professional terms and the reason they go that route is because it is often easier to raise money in small chunks than one big check. That's the reason they do it.

David Phelps: Mike, what are some of the caveats that investors who are thinking about being in yes, syndications? What are some of the caveats? You mentioned a little bit about terms and I think ... Yeah, go ahead. Take that.

Mike Zlotnik: Sure. Again, that's a great way to put it. Caveat meaning that they're not necessarily problems, they're just side effects. So number one, when you as an investor participate in the syndication, you don't have control over how it's going to flow. You're following the leader of the pack. The sponsor or the syndicator. You're riding along with what they're doing. That's number one.

Number two, single syndication in conscious to funds may have limited liquidity. So funds might have quarterly liquidity, you could redeem shares, subscribe, syndication, you're stuck for the life of the syndication. If that distributions, you may have no ability to reinvest distributions. You get the cash, the money goes idle.

The other caveat of investing a syndication, if you have IRA funds and you put it in a syndication, you have to pay attention whether there is a mortgage or debt leverage. If there's a leverage in the deal, you're IRA may be subject to UBIT tax or UDFI tax. It's unrelated business income tax due to the leverage.

The other caveats of syndication is lack of diversification. You're in a single asset. You're stuck in whatever time it takes to the asset through the life cycle. And then the final element, and this is true in many alternative investments, there are no guarantees. So if you think you're going to get a guaranteed return, that's not the case. There's a preferred return of syndications but not guarantee returns. Something that you have to be very aware of. Now there may be great opportunities without guarantees, but at least you should be aware.

David Phelps: Good. Ryan, how do you think of that?

Ryan Parson: I think that was great, what Mike said. The biggest thing is that it's typically just a single asset and so, that diversification piece is critical. The other thing from the investor's perspective is understanding, once you're in, as Mike alluded to, there's usually not a lot of redemption's like civility. So you've got to understand, what is the projected lifecycle of that underlying asset and then, adding some degree of fudge factor there even at the investor level to understand because there's really a lack of liquidity in that type of a structure.

David Phelps: Yeah, very good. So Ryan, again to you, we were talking a minute ago about structures. Mike mentioned, the syndicators, deal operators want to go raise some softer capital. Meaning the terms are softer or easier for them to deal with, right? Based on how they structure what was called the waterfall. I don't want to get too in depth here, but give us some ideas of what you see out there today, in terms of good structures that are fair versus structures that are not fair. Really the big one here is, how does a relatively novice investor who wants to get involved in a syndication, even begin to understand that? Is that usually well explained in the offering documents or what does someone need to do to really understand, here's what my investment is, here's the expected returns based on what we call the waterfall.

Ryan Parson: Yes. So I think that question that you're bringing up here, David, really gets to the core of the three core elements of any private investment that you're making and it's very true on syndications, as well.

First and foremost, you have to know who your deal operators are. What is their experience of the operators that you're entrusting your capital too? As we've been, 10 years, plus years now since 2008, David in my ... You have to look and see who you're entrusting your capital. What were they doing before 2008. That's just one example, how we would go and vet a deal operator.

What's their experience and a tenure experience? Not just in really good solid real estate times that we've had as of late, but over a long period of time.

So I think that's the first thing in understanding how that waterfall was going to work. Because to Mike's point, are they giving a professional type of a split between the investors or is it maybe, like you say softer terms, that isn't as generous or as realistic for the investors as it should be.

Which leads into my second point of, are you getting a reasonable rate of return on your money for the risks that you're taking on? How the deal operator presents the offering is one element and then, what is actually in the syndication documents or the offering documents is another thing. Realizing that as soon as you add these layers, syndication or fund, whatever the case might be, you've got not just only the operating expenses at the asset level, kind of this multifamily example that we're using. You know, keeping the lawn manicured, paying the onsite maintenance person, whatever the case is.

When you add a syndication, you're really adding a professional level, which is a business of running the underlying assets. So you're going to have expenses in there, whether that's a syndication management, an administration providing statements to the investors. Maybe if it's at a really professional level, they're having voluntary financial audits. But it's getting back to, are you getting a reasonable rate of return on your investment even after those expense loads?

The third element still to look at of those three core pieces, knowing the deal operator, are you getting a reasonable rate of return on your investment and then, are you getting a return of your investment in a reasonable timeframe? Every deal is structured a little bit differently, so the timeframe is going to be different. But what you have to know as an investor is what is the tolerance within your own personal investment capital? And just because we see what might be a good deal, doesn't mean it's actually a good deal in your portfolio. So it's not just analyzing the deal or the syndication itself. You have to be able to do that in combination with understanding your own wealth needs too.

David Phelps: Yeah, well said. Mike.

Mike Zlotnik: Just a couple of words. Ryan, very well put. So number one, the syndication offering documents are often marketing documents and then, they have all kinds of legal disclosures. So if it's a PPM or OM, Offering Memorandum or Private Placement Memorandum, they have all kinds of legal mumbo jumbo to protect the sponsor of the slides and all the computations that are typically done, are generally optimistic.

So one of the mistakes, or at least lack of consideration of the fact that every deal has a risk. The risk adjusted return is often very different from what is being advertised. So it's incredibly important for a potential investor to have ability to evaluate syndication, capital structure, it's lifecycle, how they're creating value, how the cash flow is coming over what period of years and what is the risk? What could go wrong and when it goes wrong, is there catastrophic loss of capital or is it just a small loss given the safety mechanisms in the deal?

So that's incredibly important to assess that. Obviously, as Ryan pointed out, depending on the initial assessment, what kind of deal it is and level of risk reward. Again, I like to use the word risk adjusted return. Where does it fit in the investor's portfolio? Because shiny objects could take a lot of attention, a lot of deals out. Just shiny objects, but they don't fit in a conservative investor portfolio.

So just understanding that and being able to put the pieces where they belong. Ultimately, you have the question, how do you notice this get better at this? Well, one of the ways is, in my opinion, they should come to Freedom Founders. The reason they do this is because your educational programs help them gain that experience, knowledge and they are much more educated investors as they go through the life cycle of Freedom Founders education. That's what I've observed over a number of years now.

David Phelps: Well, I think you're right. It is critical for people that are going to be involved in syndications or funds to become educated because otherwise, you don't know what to look for. You don't know what questions to ask. You're totally reliant on the the managers who are, as you said, putting out the documents, which in many cases are our marketing documents. One term I want to get out, Mike, which is very common and the common shorthand is called pref or short or preferred return. Just can you give us a little bit of what does that mean to an investor?

Mike Zlotnik: Sure. So preferred return in general, is not guaranteed. I want to start there. It is not something that ... It's sort of a floor but it does not guarantee floor. So when there is a project and there is cashflow, and then there is on the backend appreciation sale.

The preferred return is essentially preferred distribution rights to investors, in addition to the current of principle. So if a project starts generating cashflow, let me give you an example. Let's just say it's a multifamily complex and it's generating leverage cashflow, 10% cash on cash annually. So there's 10% of income to distribute. The project would have 8% preferred return and let's just say 1% asset management fee.

So what would happened is asset management fee keeps the light on. Enables the syndicator the run statements, everything else and limit the asset. After those expenses are paid, the next 8% goes to investors. That's that preferred distribution and that puts them first in the line of cashflow and first in the line of capital gains. Once the preferred return distributions are met then there is a performance split.

What it is, is just an upside for investors and the syndicator or project sponsor to get paid additional fees for performing well on a given project. A preferred return is what creates sort of safety but it's not, again, guaranteed.

Ryan Parson: Yeah. Just to tag onto that too, David. On this preferred return, you'll sometimes see it as either cumulative or non cumulative. As Mike just so well stated there, the project, wherever it's going, particularly in the early years, may not hit that exact whatever the pref rate is. An 8%, a 9%, 10%, whatever it is. But over the life cycle of the funding or the syndication, it could get there.

One of the biggest things is realizing though, in a year that it doesn't make that pref rate, if the syndication, the deal, whatever the case might be, does it still accrue? And the investors still, will eventually get it, even though the project didn't deliver it in that year. That's a really big deal, back to one of Mike's points earlier about a professional syndication versus just, a not so professional one.

As an investor, you're looking for that accumulated preferred rate of return because as Mike also pointed out, it's nothing guaranteed. But these projects, depending on what they are, they need a little time to get themselves going. And as investors, as long as we understand that risk of associated with that time and reasonably believe we will still earn that pref, that accumulation is an important part to that equation.

Mike Zlotnik: Ryan, great point. So the term you used for this is cumulative non-compounded pref. So the cumulative non-compounded pref is a good thing. When you don't see any language to that, it's probably not cumulative and non-cumulative is a bad situation. If it's a significant value add—construction, development or development type of projects—and the pref is not cumulative, it will just go away completely. So it is an absolutely unacceptable scenario as far as our underwriting is concerned. So cumulative compounded pref is a way to go, especially on significant value add or development or development projects.

David Phelps: Just the difference in one word. Accumulative versus non-accumulative. A big, big difference and how many people would know to look for that? As you said, it can be hidden or not standard at all.

So gentlemen, let's talk a little bit about where we are in the current marketplace. What's happened since the last downturn in 2008 as the market has came out of the recession. 2012 kind of going forward in general. In general across the market place we've seen a bull run. How's that affected the overall alternative investment space, particularly in terms of syndications or funds? What do you see, Ryan? Again, I'm looking from the standpoint of us as individual investors. My doctors have come to Freedom Founders or don't come to Freedom Founders. Can we get caveats? What do you see?

Ryan Parson: The first thing I think, David, is when you look at, even traditional investments. Your stocks and bonds and mutual funds and it gets been going along. It creates a false sense of security in that things are just going along. Everyone's going well. They're looking at their statements, their 401k plans, and it's looking good. They automatically make the assumption when they're ready to move to alternative investments. "Oh well, all of that must be good too."

And as we've been talking about here, it requires the investor in the alternative space to be a little more keen about what's going on. Because after all, if you didn't want to better understand that, you would just stay in the stock market and just ride it all back down again. So to be able to understand, specifically with real estate, kind of sticking with this example that we've been talking about, is valuation and asset valuations.

So when you're going into a new deal, particularly as real estate prices have risen the last six years here, is to what extent are you getting into the deal and are you getting into it at full current 100% retail price? And if so, what would your investment look like? The pref rate, the IRR in the event of a downturn of the asset value.

Now if it were buying it for longterm cashflow, we may not be as concerned with a potential dip. However, a lot of investors aren't necessarily thinking about that because we're kind of back into this tenure exuberance of it just keeps going up and going up and going up. Both of you guys know, we've been at this for a lot of decades here now, it never keeps going up forever.

The last thing I'll say about that, if you're going into a syndication that has leverage, Mike pointed that out very nicely earlier, how much leverage is on the deal? Because even if you here, "Oh, we're getting 80% leverage", for example. Well, that still means you're at the riskiest part of the deal on the equity side and if there is a downturn and depending on what the covenants or conditions that lender might have, they're going to go call that loan and all of a sudden you might see a capital call or just an evaporation of your equity altogether.

David Phelps: Yeah, well said. Mike, we've recently talked in Freedom Founders with Ryan and amongst ourselves about really setting up, what you came up with, which was quadrants. Offerings based on the type of syndication. Quadrants based on growth with cashflow or growth with less cash flow. And also speculative quadrant, speculation or speculative investments are syndications that have cash flow. Then again, those that don't have much cash flow.

Based on the same question I asked Ryan, using those quadrants, how can investors best determine if they can segment into a quadrant, where their allocations should go? Or you can turn that any way you want to, but I'm just kind of throwing you a softball on that.

Mike Zlotnik: True, David. So okay, continue to what Ryan said, we're entering a period of likely significant slowing down, potentially recession. We just don't know, but it's been a great run and as the expression goes, "All good things must come to an end." It doesn't mean it will come to an end immediately, but when they do, we'll be in a recessionary environment.

So in recessionary environment, the better strategy is to focus on cashflow and downside protection type of investments. So putting these quadrants into play, the methodology is fairly straight forward. Most of the alternative investment deals can fall into one of the four quadrants, but breaking it down even on an easier level, they could fall into investment grade versus speculative. So just to give a little bit of color on this, speculative projects, the easy way to understand typically ground up construction development, redevelopment, projects with no cashflow or where the cash flow is coming from very high degree of leverage and these projects have no downside protection.

If economic trembles happened or any kind of ripples in the water, there's all kinds of risks associated with these projects. When they did risks, risks take place, the projects could fall apart. On the alternative side, is the investment grade projects. And again, we're not using the same methodologies as the Wall Street people. The investment grade here means the projects with good downside protection.

So I'll give you some examples and as Ryan mentioned, it's the same old, their family deal, self-storage deals with low leverage, strong cashflow and projects that can sustain the stress test. So what does a stress test typically, when the economy slows, the vacancy will go up and the occupancy we'll go down. So they can survive 10% decrease in that and they can survive increases in expenses. So generally stress test on these cashflow and projects, we'll show what happens with them. If these projects have good downside protection, they provide safety.

The other examples of these type of projects would be typically firstly loans. They're secured by the asset at a healthy LTV. And when there's a downturn, the equity players could take a beating, while the lenders are well secured. So that number of other projects that are in between, but the investment grade focus on a cashflow in the investment grade space. And some growth will enable folks to take this stock portfolios and put them in a much more predictable safe for universe. It's not guaranteed universe, but it's a much safer universe. Today again, the stock market is showing signs of significant volatility. So have to predictability is in the alternative investment space with good downside protection and strong cashflow.

David Phelps: Thank you Mike. So in the world of alternative investments, again, we're talking about real estate today. We can honestly say the three of us are very biased towards alternative investments. Very careful with your history in the business you've laid out in a short period of time, Gentlemen. Some of the key benefits but also some of the key caveats because every market cycles.

We just feel like and believe that we have more control over our money by way, of the inefficiencies of the alternative world. The big thing we always talk about is your network, is your net worth. Again, in alternative investment space, who you know, plays a big deal into your accessibility to find and curate the best opportunities. You can do on your own. You can go out and you can buy single family houses and fix them up and rent them. Some people do some lending on their own.

That's all fine and good, but finding good deals and understanding in how to do the underwriting due diligence, that's just something that comes with experience and education and being around the right people to teach them. What I find is there's strength in numbers. There's strength in the three of us, because of our experience level. We have a circle of people we know mutually. We know people each of us independently knows and through that we get a chance to really cherry pick some of the best deal operators.

One of the things you brought out, Ryan, the core area of focus. Who are the best deal operators with the best experience? And then what are the current syndication opportunities? The different asset classes and through the combined efforts we have really formed what we're calling today an investment underwriting committee. Whereby, at Freedom Founders and through our mutual network, really the ability to do better definition of what these investments look like, so that our members and your respective investors in your platforms have a chance to really have that highest opportunity.

Again, nothing is guaranteed. Nothing is risk free, but it has the highest opportunity to get in on some good syndications. I think you both would agree that no matter where we are in the marketplace, the last eight years of a bull run, now hitting maybe a peak where things are a little bit wobbly right now. Then, we may go down into some kind of a downturn or reset. That the ability to segment and understand the quadrants of investing and where you might allocate your funds.

In the alternative space, it's really one of the best. But that being said, you've got to know people. So Mike, let me go to you first. What do you like about collaboration through your network and through the network we mutually have together?

Mike Zlotnik: Thank you David. It's strength in numbers. We have great relationships. I mean we've built it over years and most of the business we do with repeat clients again, and again, and again. And the only way we take business is with a strong referral from existing clients. We're just not going to look at cold business from the street. Then we switch focus on borrower or sponsor to diligence to step one.

So just to reinforce this, where the strength in numbers gives us abilities to negotiate better deals on behalf of Freedom Founders or our investors. So when a syndicator approaches to us and they bring the deal, we can look at the deal and we could very quickly tell them, "Listen, you've got a very interesting project, but the terms are unfair or you’ve got the following risks. I would like to get an answer on that."

So we help prevent these deals, strengthen the deals, and then we take them through a level of review, improvement. And when the deal is ready to go, it's a much better improved deal. In return for that, we bring them capital. So we have capital in the temp opportunity fund. We also have capital in Freedom Founders. Ryan has capital in members of the Mile Marker's Club. The point is still the same.

We can deliver the capital to them in one reliable single source. And that's a lot of value to sponsors. So that attracts quality sponsors and reliability of the capital and the experience that we deliver, give them confidence that they can get their projects funded and we can work with them in the long term. But they have to improve their deals for our investors, so that they are fair deals, they are better deals and they are better risk adjusted return deals. That's my thoughts on the subject.

David Phelps: Excellent. Thanks Mike. Ryan, from your stand point, collaboration assist in what ways?

Ryan Parson: First of all, it's so important as an individual investors in this private investment with space. What is really critical to not only have the level of deals and the types of deals and the quality of deals is what it also is on the other side, as Mike was mentioning, the capital. The capital is coming from other private investors just like the three of us are. What's that really brought with this collaboration is really raising the bar for the investors too.

So Mike, you talk about raising the bar for the deal operators. It's really if as investors, of course we all say we want good deals, but are we good investors or those really solid deal operators as well? That's really a hand in glove thing. I think Dave, in my ... Especially, today when we were at maybe a higher peak of a market and all of this private capital is chasing the best of the best of the best deals with the collaboration is what allows all of us as individual investors to still get the access to the deals without having to take any inner are extra special exposure.

In other words, a larger deals that come to our mutual consortium here that you're talking about, David. It still allows us to write, as an individual investor, a reasonably sized check of 50,000, 100,000, 200,000. But not an exorbitantly size check to still access that quality deal to put back into our individual portfolio. Be it for cashflow or growth or some combination thereof based on those quadrants, Mike, that you're talking about. Where we're needing to have and be in and have access to those deals to make our own individual portfolios hum and perform the way we need them to.

That's what this collaboration is really all about, guys, that I see, that really benefits our investors in your fund, Mike. Our fund, The Freedom Founders, David. That's what it brings and that's where we just have to be better to be just that much more competitive in the marketplace is what that collaboration brings.

David Phelps: Well folks, there you have it. Your primary and syndications in less than 40 minutes. Also, I'd say, watch for a book. The three of us are going to collaborate further on a book that we intend to have out this year on greater detail and more in-depth than some of the topics we talked about today. So I want to thank Mr. Ryan Parson and Ryan, I didn't mention, you're Chief Investment Officer of the Mile Marker Club and also Heritage Capital. Where can people best find you?

Ryan Parson: I appreciate that, David. Go check out our websites, themilemarkerclub.com or milemarkerclub.com, I should say, is what really focuses on the needs of our investors from that wealth strategy and that wealth planning element of it. Then specifically, how these alternative investments work within that. Heritage Capital USA is what focuses on those different deals that we bring to our collective underwriting consortium here. Various different private equity and private debt deals.

So heritagecapitalusa.com and milemarkerclub.com

David Phelps: Excellent and Mike Zlotnik, Fund Manager at Tempo Opportunity Fund. Mike, what's in this way for people to find you?

Mike Zlotnik: Tempofunding.com from the word temporary, T-E-M-P-O, tempofunding.com or there's an easier way. If you could spell the following, it's bigmikefund.com. Bigmikefund.com and if you misspell it and you just wind up at bigmikefun.com, it is not a kinky site. It'll be bigmikefund.com. That page is the only page for the podcast, but it's the same website and you can navigate around to the primary, Tempo Opportunity Fund.

David Phelps: And if you're a doctor, a dentist, a chiropractor, a veterinarian, cardiologists, Indian chief, and you'd like to meet all of us in person at an event where we have a great consortium of Real Estate Trust Advisors. People that are there, just really putting our heads around how to best create freedom or passive cashflow to build their wealth. So you can let go of the act of income hamster wheel, that's what we do there. So you can certainly go to freedomfounders.com, get more information about what we do together, how we collaborate and have a chance to meet in person someday. So again, Mike, Ryan, thank you so much for being here today. It has been a lot of fun. Real pleasure.

Ryan Parson: It's always a pleasure.

Mike Zlotnik: Thank you, David.

Ryan Parson: Thanks for the invitation. Thank you, Mike.

David Phelps: Thank you, gentlemen.

Ep #213: Mike Zlotnik and Ryan Parson - Real Estate Syndications - What You Need to Know Before Investing

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