

# PAPER POWER



*Jack Sternberg*

Module 6  
Introduction  
to  
INVESTING  
With  
PAPER



*Bob Leonetti*

# Listen Again and Again...

- Six Online Videos of Presentation
- Six Online Audios of Presentation
- Six Sets of Presentation Slides and Notes
- Bonus Video/Audio
- \$100 Discount to NoteWorthy Convention

**\$90 – Less Than \$15 Per Session**



[PaperPowerBonus.com](http://PaperPowerBonus.com)

# Five Reasons for Paper

1. Alternative to Short Sales (Short Paper)
2. Banks Woes = Your Payday (Ugly Paper)
3. Great Profits Optioning Performing Notes (Pretty Paper)
4. Market Needs Creativity (Creating Paper)
5. High Personal Yields (**Investing in Paper**)

- *Your Money or Your IRA Money*
- *Do It Anywhere*
- *No Licensing Required*



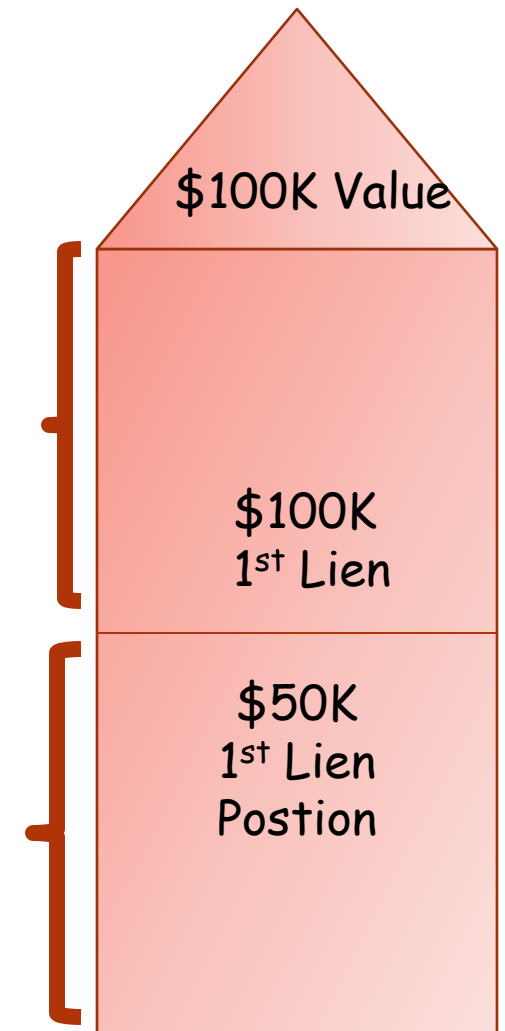
# POINTS TO REMEMBER

- Barbara Pays Note Investor
- Monthly Payment Doesn't Change
- Terms Don't Change



# Higher the Yield...the Lower The Risk??

- ITV is KEY
- Buy a Partial – Not a Full
- Buying Less Payments Lowers Your Risk!
- Buying Less Payments Raises Your Yield!



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# TIME VALUE OF MONEY

- Money is worth more today than it is in the future.
- The *more* money the seller gets now, the *less* he gets overall.
- The *less* money he gets now, the *more* he gets overall.
- **Example: (100,000 Note, 10%, 360 Pmts. of \$877.57)**
  - All Cash Now at 14% Yield: \$74,064 Now...Nothing Later
  - Cash Now for SOME payments; the Balance Later at 14% Yield



# CASH IN A FLASH

- Buy 12 Pmts. for 10 Times the Payment Amount
- 12 pmt of \$500 for \$5000
- Return of 35.07%
- When Note Reverts, You May Buy More Payments!



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# CASH IN A FLASH - Benefits

- Low Initial Investment
- Low Risk
- Relatively Short Term
- Almost NO Discount To Seller

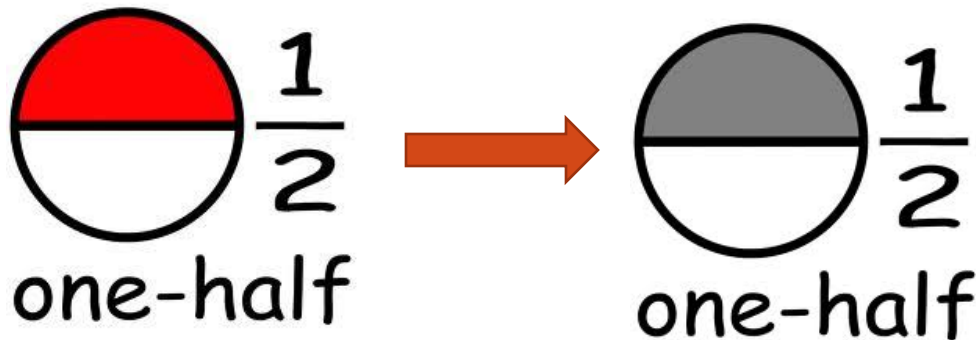


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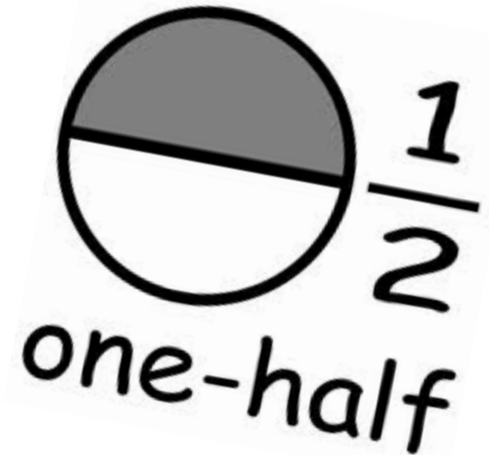
# $\frac{1}{2}$ for a $\frac{1}{2}$

- Buy Half the Remaining Payments for Half of the Remaining Balance
- \$100K Note, 360 pmts, 10%, \$877.57
- \$50,000 for 180 pmts. Yield – 19.98%!
- \$25,000 for 90 pmts. Yield – 39.91%
- 12,500 for 45 pmts. Yield – 79.56%



# 1/2 for a 1/2 **BENEFITS**

- Little Money Required
- High Returns
- Easy Negotiation
- High Value When Note Returns
- After 45 Pmts. Payoff is \$97,596
- Seller Gets \$12,500 NOW and \$97,596 When Note Reverts!!



# Grandma Make More Than Pies

- Buy Small Note – Pay Small Amount
- Buy \$30K Note for \$20,000
- Grandma Wants 6% on Her Money
- You “share the risk” and Invest \$1000
- Grandma’s Invests \$19,000



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# Grandma Make More Than Pies

- Payment is \$300 Per Month
- Grandma Gets \$95 Per Month  
(6%)
- You Get \$205 Per Month
- Your Return...246%



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# OTHER INVESTMENT IDEAS

- Trade 2<sup>nd</sup> Liens with IRA \$
- Use Grandma's Technique When Investing in Properties
- You get the picture...



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# Las Vegas Note Convention

Bob & Jayme – Nov. 9

Convention – Nov. 10-13

<http://NoteworthyConvention.com/Bob>



# Want to Win Two Free Tickets to The Noteworthy Convention?

- Here's Your Chance to BE Heard...
- Go to the Website, and Put In Your Comments
- Lucky Winner Will Be Chosen Next Week!
- <http://www.noteworthyusa.com/contest-noteworthy-convention/>



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