



## Mark A. Small

Silent Partner Group, Inc.

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Investments So Consistent &  
Profitable - They're Boring...

**Investment Opportunity:** The Mid West region of the country has experienced huge real estate price drops due to the “financial crises” and the economy. Very nice homes that sold for in excess of \$100,000 can now be purchased for a +/- \$25,000. We are currently investing in cities in Ohio, Michigan and Indiana. The rental markets in these areas are very strong and the properties are leasable. We have implemented the necessary business structure to identify, acquire and manage these properties.

We're offering a first/preferred interest to private investors, secured by leased single family homes. All profits are subordinated to the investor's.

**Investment:** Secured by first lien/mortgage position. 7% return on initial investment fixed. Investor receives that interest payment (7%) fixed throughout the life of the investment with 50% of principal being returned straight line over 8 years - resulting in yield growing from 7% year one to 14% in year eight.

Although we believe the real estate market is at or near the bottom in Michigan at this time, in the event the market gets worse we can lower rents sufficient to still pay the investor and “weather the storm.”

**Eric Feder** has held key senior vice presidential positions with Citi Mortgage, Washington Mutual, & Chase Bank. He brings 20 years of management expertise in the mortgage industry. At Citi Mortgage Mr. Feder managed \$5 billion dollars in residential mortgage sales and operations. At Washington Mutual, he oversaw \$10 billion in sales with over 500 employees. He was responsible for the transition of the northeast Washington Mutual sales staff to J.P. Mortgage Chase's retail mortgage division.

**Mark Andrew Small** has been investing in real estate since 1982. He has been intimately involved with every aspect of investment real estate including; acquisitions, tax strategies, dispositions, management, finance and the negotiating/structure of real estate transactions. He founded Silent Partner Group Inc. in 1990.



**Credibility.** There are usually many critical components to an investment being successful - but having spent a lifetime building small private real estate investments, if I had to choose one predicator of success it would be the promotor's credibility. A "winner" will avoid a venture that can't be worked into a successful venture for all involved and has the skills/knowledge/tenacity to see the project through to success. Please see our biographies attached.

**Incentives.** The vast majority of investment offerings are "front loaded." What that means is that the investors are paying "up front" for sales fees/commissions, costs of producing the investment and profits to the promotor. This has two major negative impacts for the investor; first the investment is starting off in the red and must make a certain amount of money for the investors to just break even and secondly, this gives the promoters of the investment incentives to sell shares in the investment to some degree irrespective of performance. Neither should be acceptable to an astute investor.

Our strategy to counter those disincentives. We make a cash investment in every investment we make which we subordinate to our investors' interests. We don't make profits unless our investors make their profits first.

**Structure.** Due to certain USA securities regulations, most investments are packaged in a legal document laden with disclosures, waivers, and legal verbiage that obscures the essential elements of the investment. Each investment we do is documented in the simplest and most effective form and we provide our investors with 100% of critical information on one page, unobscured by legalese.

Each investment property is held in a separate trust. The investor receives a note evidencing their investment and return together with an assignment of the beneficial interest in that trust to secure their investment.

**Opportunity.** Every market fluctuates. The extremes of those fluctuations present amazing opportunities. The lending institutions in the U.S.A. made mortgage funds artificially low and overly abundant during during the early 2000s. That forced real estate prices to excessive highs and ultimately resulted in hordes people owning real estate they could not afford. The defaults on those mortgages has caused a global economic disaster and with that, a correction in real estate prices to the other extreme resulting in prices that are a fraction of what they were and equally overcompensated prices to the other extreme.

We only invest in homes that are in neighborhoods that have very strong rental demand. That allows us to make a substantial yield while waiting for the market to eventually rebound. In fact the return is sufficient to make the investment work without any appreciation what-so-ever.

**Strategy.** Our strategy is simple. First we will only invest in homes we would be willing to personally live in - clean, safe neighborhoods and homes. Second, we will only invest in homes that can be purchased for a fraction of their “high water mark” (peak price) price and can be rented to provide sufficient ongoing returns while waiting for the market to rebound.

The second critical component to our strategy is to find property managers with excellent track records and give them “partnership” incentives to insure we a) pick properties in the right neighborhoods, b) get the necessary renovations done as quickly and inexpensively as possible, c) choose the very best tenants (we review and approve every chosen tenant application before a lease is signed and d) maintain the property and constrain operating costs.

**Details.** Our success, and in turn our investors’ success, lies in our ability to make many critical aspects of the business operate exceptionally. Here are some of the critical components we attend to and how we attend to them to insure it is being done right:

Renovations. Unlike most real estate investors, we use an interior designer to add the details that make a house into a custom/designer exceptional home.

Monthly inspections. One of us (or an independent inspector we employ) inspects all our investments bi-annually. All renovations are inspected by one of the two partners and approved. This also allows us to monitor, on an ongoing basis, the dynamics of the neighborhoods, satisfaction of the tenants and the quality of the management we are receiving.

Rent Audits. We monitor rental receipts online and know by the 5th of every month if there is an issue in any property. Quarterly, we perform complete physical inspections of each property. Tenants have direct access to us and are encouraged to notify us in the event they have any issues with their property manager.

Tenant Selection. Every tenant is reviewed by and approved by us before a lease is signed.

### **How you can do your due diligence on us.**

Get to Know Us. Read our biographies. Spend time with us in person or on the phone. Check our personal references.

Google Maps. [www.google.maps.com](http://www.google.maps.com) Using google maps you can look at the homes and neighborhoods we're investing in.

Cut The Deck. We will provide you with the settlement statements, leases and/or any other documents from any property you invest in so you can validate and verify the numbers.

Inspect. Come with us on one of our monthly inspections. Visit the properties, neighborhoods and tenants.

Audit/Examination Report. Review the findings of an independent audit we contracted to substantiate our performance with investors.

Accountant. Our CPA is Timothy Smith (518.792.0974). Who would know better what our track record has been with investors?

Ask. Ask us anything. We are confident and excited about the opportunities we're investing in and very much would like to address any concerns you have.

## **Currently Available**

### **91 E. 17th Street, Holland, MI**

\$45,000.00 Investment. Estimated Highest Value: \$91,000 in 2003.

\$262.50 Monthly Interest (Starts at 7% grows to 14% over 8 years)

\$234.38 Monthly Principal Return for 8 Years.

- \* All properties can be viewed on Google Maps. [maps.google.com](https://maps.google.com)
- \* All investments include complete “designer” renovations resulting in the home attracting 2 year leases by the best tenants.
- \* All investments are left with 50% of their initial investment after 8 years at a yield of 14%.