

BUILDING A BIRCH-BARK CANOE OUT OF SARAN WRAP AND BANANA PEELS
OR..."WE MAY BE EXPENSIVE, BUT WE ARE VERY SLOW"

By Bill J. Gatten, Author of the run-away best seller, "No Down! No New Loan!" (i.e., THIS author's best seller that is)

For interest's sake, the following is a recent letter to network members who suggested that he might want to reconsider using the NEHTrust or PACTrust because it takes longer to facilitate and close than does a L/O or Wrap. Well...being the thin-skinned meek little (sweet) jelly muffin I am, I suggested that if he didn't want it done right, I couldn't help him; but that if he did want it done right it would take more time than most other creative financing schemes (L/O/s CFD's, Wraps, Equity Shares, etc.).

Our motto around here is: You can pick any two (but only two) from the list below, and we'll be your Huckleberry...

- 1) Have it Done Properly
- 2) Have it Done Quickly
- 3) Have it Done Cheaply

So...after it was suggested that we shouldn't take such criticisms so personally, I responded with the following:

Yup...I do take personally anything that has to do with the safety and well being of your business and/or mine. My business is ME, and my products and services are 100% ME: and [product or service comprises my very alter ego to the nth degree (to the bone, as it were). And, hey, that's not a bad thing though, because that quality within me is what keeps me and all my students and clients out of court and out of jail.

As well (I continued), I do understand your frustration Elmo, ("Elmo T. Flopenenwaller") and I am willing to work through it with you with any constructive suggestions you might have for improvement: but in the meantime, you MUST understand that certain processes simply may not be avoided or compromised. If we allowed that, we could not hold ourselves responsible for these transactions and keep you and your clients out of serious trouble later on down the line.

The entire process comprising the Third Party Co-Beneficiary Transaction (PACTrust™ or NEHTrust™) is as follows (I have given reasonable time spreads for the number of workdays that might be (could be) involved in each of the steps or phases which comprise the documentation process...variations in mailing and shipping times and weekends and intervening holidays notwithstanding:

1. Fist, your clock starts ticking (though ours doesn't yet) when you meet with you client and get their acceptance of your proposal
- 1 - 2 DAYS

2. Next you obtain all the appropriate information and send it to us (or have us obtain it for you). 1,2 3 OR MORE DAYS has usually gone by since your original contact) - 1 DAY

3. Next, you compile and forward us Appendices 1 through 5 completed (if not completed accurately or fully, add another day or two for us to round-up all the information we need for data input) - 1-2 DAYS

4. Our data input and document formatting is completed (3 or more hours of work), whereupon the initial land trust is created and sent to legal for review and to PAC or Equity Holdings for holding once the signed original is received following COE) - this serves as notice to collections and the trustee that the transaction is in process and entering Escrow within the next 1-2 days, and for them to get their procedures in line to receive the new project when Escrow closes - 1-2 DAYS FOR INPUT AND FORWARDING

5. A Verification of Data (VOD) report is then sent to you (the investor) for review. At this point nothing is sent to the parties until you have personally approved and verified that the figures are accurate and that no information is being given to anyone that shouldn't see or have it (e.g., your acquisition price, no payments, initial work-out arrangements, etc.). We then have to wait up to 48 hours for a return or acceptance of the VOD: though we will proceed without you if we haven't heard from you in 48 hours - 2-3 DAYS

6. When your VOD has been signed and returned to our office, or when your 48 hours are up, we then draw First Drafts. At that point if no corrections are necessary ('happens VERY rarely), then the first drafts are individually forwarded to all parties (by regular or overnight mail, unless we are instructed differently): Allow for 2 days to delivery and 2 days for return or verification - 4-5 DAYS

7. When all drafts have been returned with corrections or acknowledged to be OK as is (happens rarely), we then either -- 1) complete and forward 2nd drafts (if corrections were made) - 2-3 DAYS; or 2) proceed to final documentation (if no corrections were required) - 1-2 DAYS. All final documents are forwarded (by overnight mails or PDF computer file) to Escrow - 1-2 DAYS

8. Any additional verbiage in the Rider Agreement or in related documents (other than boilerplate) must be run through our legal department (outside law firm) for review and approval - 1-3 days (depending upon attorney's case load)

9. Following legal review, documents are forwarded to Escrow, who then prepares the Settlement Statements and any other necessary documents simultaneously with their Escrow Instructions for shipping. 2 DAYS

10. At this point Escrow either arranges for a sit-down closing in the client's area, or (if preferred) documents are sent Over Night for execution in counter-part for return to Escrow for final review and approval of completeness. The documents have then to be signed notarized and returned to Escrow by the US Mail, Fed Ex or UPS - WHOLE PROCESS CAN TAKE 6-7 DAYS

11. When everything is back in Escrow's hands--if no mistakes have been made--the final title search is run and the deed is sent by messenger for recording in the local area (US Mail, Fed Ex or UPS):

all monies are then distributed (checks cut) to the appropriate parties and the Escrow is closed - 1-4 DAYS (depending upon time-of-day materials are received and/or mailed out by Escrow)

12. Upon their receipt by Escrow, all original signed documents are reviewed for correctness and forwarded (Overnight Mails) to PAC or Equity Holdings and to NARS for final set-up of the Holding and Collections files. PAC then sends a Welcome Letter and remittance instructions...and voila, the transaction is finalized - (ANOTHER 1 - 2 days).

Now, Understand CLEARLY that IF at any point along the way a mistake is made and not caught soon enough, it may become necessary to redraft certain documents (e.g., if the MAV were not stated correctly in the beginning, or if payments were not calculated properly, or if a key profit center wasn't clearly defined in the beginning...or new Rider information were to requested, etc.)

Ways to shorten the processing time of your transaction:

- 1) Make sure all "I's" are crossed and all "T's" are dotted on the original worksheets (Appendices #1 thru #5) when you send them to us
- 2) Verify and clear all anticipated charges through NARS (Appendix 4) first, before sending in the worksheets (Appendices #1 thru #5).
- 3) Assure that all start-up moneys (Retainer Fee and Good Faith Escrow Deposit) accompany your order for documentation; and assure that the Retainer Fee Agreement is properly signed and dated when we receive your package. We can not start without a signed and paid Retainer Fee Agreement
- 4) Provide NARS with a good and valid Legal Description of the property along with your order for documentation and facilitation (full Lot, Tract, Map Book, Page, Plat, Parcel, Assessor's I.D. Number, etc.) at start. If we have to order it, it can add 2-3 or more days onto the turn-around time.
- 5) Volunteer to handle the walk-in and recording of the transfer document (deed) yourself once it has been signed and notarized by the transferor (state that you will do that in a note with your documentation order)
- 6) Handle all mailings by overnight or express mail
- 7) Be prompt in reviewing and returning VOD's, drafts, corrections, changes or amendments by Fax. And, above all, be explicit enough in your notation (re. variations from standard documentation) that you do not have to be contacted for clarification
- 8) Be as brief as possible, but complete (i.e., be succinct) in all written (faxed or E-mailed) correspondence.

- 9) Volunteer to handle the final signing of documents yourself in your office (must have a Notary standing by) so that clients can't dawdle and procrastinate.
- 10) Never be mean to anyone in the NARS documentation department (but do not send candy or flowers alone...cold hard cash and booze bribes seem to work best).