

## Tax and Financial Planning for the Real Estate Agent



*Chris Bird*

"What a great country we live in!" is a thought that Chris Bird expresses frequently in his talks on tax and financial planning. Chris is a former IRS agent who is now a full time speaker, trainer, and workshop leader. From state association meetings to Howard Brinton's Star Power to Money Matters IV, Chris Bird is a popular draw. In fact, Chris is the only speaker who has been at all four Money Matters Seminars. The October 4 Quarterly Meeting was an opportunity for everyone at Preview Properties to hear Chris talk about his favorite subjects; taxes and financial planning for the real estate agent.

According to Chris, one of the reasons salespeople are audited frequently is because they are notoriously poor record keepers. Even if we have an accountant, we are ultimately responsible for the information that the accountant uses to figure our taxes. Five to ten minutes of record keeping per day should be adequate for most agents. Our records must be permanent, accurate, and complete. We need invoices, receipts, and cancelled checks. Each expense must be supported by documentary evidence. Finally, the recording must be timely. You are allowed to deduct business expenses that are ordinary and necessary. Expenses generally need to be helpful, needed, appropriate, customary, usual, or normal for a real estate business.



*Bob Bohlen*

Car questions always come up, and Chris said a lease is best if you drive less than 15,000 miles a year. Otherwise, purchase is the best option when you need a new car. A Realtor would probably use a car 85-90% of the time for business. Chris Bird's handout included some great material; if you were unable to attend, ask Nancy Bohlen at 810-220-1517 or nancy@nancybohlen.com for a copy. Many financial planning issues were covered including bookkeeping, how long to keep records, home sale exclusion rules, the real estate professional rule, retirement plans, health savings plans, and college savings plans. Lots of stuff that you need to know to protect your money. Read over the material.



*The Kilariski's work on their business plans.*



*September's Top Agents*



*Val Potts & Robyn Balliet actively listening.*

### Daniel Burrus will be back on November 30!

#### CPR Training at Preview Properties.com

On Saturday, October 8, Jennie Gehring, Blythe Gehring, JoAn Hauber, Dave Villerot, Hal Potts, Val Potts, and Bill Lane arrived at the Preview Properties.com office at 9:00 a.m. to spend five hours learning CPR for adults and children with instructor Daniel Swantick of the American Red Cross Chapter in Livingston County. Each person had a little different reason for being there; Jennie, Dave, Val and JoAn wanted the knowledge for being responsible to people in emergencies, Hal needs the credit as he works for his captain designation, Blythe will use her credit towards her nursing degree that she is pursuing, and Bill is updating his training from time spent with the volunteer fire department. The course and the instructor got good marks from those who participated. In case of emergency, remember these associates and friends that have CPR training.

### Jon Young's Testimonial

What services does Property Mortgage.com offer that leads you to refer all your clients exclusively to them?

1. Security of knowing when John says a customer is approved, that everything will go according to plan and the loan will get closed on the closing date.
2. I feel like I have a partner with Property Mortgage.com, rather than a lender I know nothing about.
3. The additional funding between Preview Properties.com and Property Mortgage.com is significant. It is paid on time and I feel it will add up at the end of the year.
4. If I can't reach John, I can always speak with Debbie who is knowledgeable about the files and helpful.
5. Once I refer a customer to John and Debbie, I know that I will never have to speak with my customer about their mortgage again. John and Debbie will take care of all their questions, concerns, etc. and I know the situation is under control.
6. Not every transaction is perfect, but I know when John says it can be done, it will be done.
7. Even with last minute changes, problems, etc., I have complete confidence that when my customers use Property Mortgage.com the loan will close.

## Second Quarter Meeting

On July 21, 2005, Daniel Burrus, one of the world's leading technology forecasters and business strategists and founder and CEO of Burrus Research Associates, was the speaker for Preview Properties.com's Second Quarter Meeting held at the American Spirit Center in Brighton. Mr. Burrus has met with executives of Yahoo! and Procter and Gamble to facilitate their business planning, and now he comes to Brighton to work with the management and sales associates of Preview Properties.com.

The day was spent on the strategic thinking, learning, and planning process. After listening to Daniel Burrus talk about the changes we can expect in our future, much of the time was spent in thinking about how our industry will look in 10 years, defining our ideal image for ten years from now, determining what our reputation and culture will be like, anticipating our values, planning our services, and finally pinpointing our customers ten years in the future.

The sales associates were divided into groups who pored over a deck of strategy cards to determine what new technology should be integrated into the Preview experience. The items were presented by their teams with the leader explaining what technology should be adopted and how it would be integrated into the Preview Properties.com culture. After much discussion and debate the items chosen were:

1. Internet telephone
2. Video Blogs
3. Instant messaging
4. Web services
5. Advanced digital imaging
6. Customer experience management
7. Global positioning satellites
8. Voice recognition and synthesis
9. Handwriting recognition
10. Application service provider



*Bob Bohlen and John Peterson.*



*Heidi Kirby and Lynn Sajdak from our Ann Arbor Office.*



*Priscilla says "Shopping anyone?"*



*L.E. Kohl, Greg Garwood and John Peterson enjoying brunch.*



*Larry Vering gives his report.*

With so many concepts to absorb, the group, along with Daniel Burrus, decided Preview Properties.com's focus should be on how these items can enhance our customer service, office efficiency, and agent training. Mr. Burrus will be back to meet with the Preview Group on November 30 to help us design our future business.

### Money Matters IV ...



*Kim Shinabarger & Jeff Harper*



*Bob Kriegel*



*Sandy Bailey-Bristol, George Bush, Stan Steinberg and Gregg Hardy*



*Lorna Riley and Phil Herman of Dayton, Ohio*



*Mark and Donna Herman with Karl Forell*



*The folks from Delcor*



*Holly and Todd Koch, Vernon MacIntyre of Pennsylvania, and Julie Fischer*



*Jennie Gehring with John Capalupo from Australia*

# Money Matters IV ~ Thought Provoking to Hilarious

Money Matters IV challenged those attending the August 18, 19, and 20, 2005 conference to create personal and financial freedom through the ideas of a variety of speakers. The conference was held at the Ritz Carlton Hotel in Chicago. Humor, opportunities, and doom were all addressed in the rapidly moving program.

Dr. Bob Kriegel, according to US News and World Report, is one of this country's leading authorities in the field of change and human performance and he is a very entertaining speaker. His presentation started with a challenge to re-think the rules. Don't compete-change the game. Be open to change. Challenge the old ways, anticipate change, and create change. Change when you are ahead. Do one thing differently each day or week. Changes are positive.

As Dr. Kriegel said in so many ways, change is good. Breaking old habits is not easy. Just do it. Studies show that 4-5 hours a day is the most one can perform at a peak level. Identify your peak hours and use the best personal time for the most productive activities. Make time for thinking and creating—3-M company recommends 15% of time should be working on new ideas. Dr. Kriegel emphasized out thinking, not out working the competition. When everything around you speeds up, slow down. Try easier—a passionate 90% is more productive, effective and creative than a panicked 110% effort.

Sheila Murray Bethel presented "Your Leadership Makes a Difference." She gave the group three challenges:

1. What 3 people will you commit to network with when you get home?
2. What 3 skills will you commit to work on?
3. What 3 ideas will you commit to explore?

As leaders, we are life changers and hope givers. We need to make someone feel important each day and we need to praise more. Life is 80% attitude and 20% aptitude. All human growth involves the 4 C's; confidence, competence, comfort and control. Don't wait, do it, just do it.

Straight from Brighton, Michigan, Bob Bohlen and Mark Herman conducted a Short Sale and Foreclosure Workout Panel. While certain areas of the country will have more foreclosures, the opportunity may arise in any market. This opens up an entirely new market for many. Learn the process and procedures, and you will discover how easy it can be. Banks will generally take a hit of about 30%. Just do it.

In Money Matters, China matters as was pointed out so clearly in Dr. Ken Dewoskin's discussion on China's effect on the U.S. economy. Dr. Dewoskin is senior consultant for Price Waterhouse Coopers in China with nearly 40 years of involvement in things Chinese. Wages in China are 2-4% of those in the United States hence the impact on the manufacturing sector of the U.S. economy. China is a manufacturing country; the United States is a marketing country. The opportunity for investment in China is really not in China. We need to look for ways and opportunities to work with the Chinese and specifically the Chinese in the United States.

Dewitt Jones' B.S. degree in drama and masters degree in film making contributed to his ability to communicate his photography in a most relaxed and genuine style. His extraordinary vision made many things we have known much clearer. Reframe problems into opportunities, there is more than one answer, put yourself in the place of the most potential and quit flapping and ride your thermals. Life is primary; business is secondary. Stop and smell the roses. Beauty is all around us. Follow your dreams. See the vision with a passion. Be a cathedral builder not a stone chipper. Celebrate what's right with the world as Dewitt Jones so eloquently conveyed through his photography.

David Littman, former vice president and chief economist for Comerica Bank, said that the good news is that the United States economic outlook is good. There is excellent momentum for growth. Slower growth is on its way, but we should not see a recession, just a correction. The bad news was that Michigan is in trouble. The manufacturing economy is a thing of the past; China's wages are 2-4% of U.S. wages for the same job. We need to encourage fiscal thinking versus political thinking. Protect what you have now, including your property investments. Great buying opportunities are coming up in Michigan.

"Increase Your Referral Business ASAP" was Lorna Riley's topic based on 15 years of personal research and work experience as a sales executive, sales trainer, and marketing director. She started her presentation with a physical exercise; stretch as far as you can and then stretch 10% further. Use this analogy in setting your personal goals. Bring your best attitude to the office; it is contagious. Ask for referrals. Clean up your data base by reaching out. Understand the difference between customer expectations and customer service. The customer experience has to be remarkable—not just good. Use the "up to" language to get higher commissions.

Michael Russer, also known as Mr. Internet, is a leading consultant about business transformation and the internet in the real estate industry. Virtual assistants, virtual offices, virtual consultants, virtual projects, and virtual outsourcing are very much a part of our future. E-mails need to be more personal and could include monthly newsletters. Web sites need to be reviewed. Multiple web sites with target markets provide high value to the particular market. It is critical to provide first response e-mail. Watch for Michael Russer's visit to Preview Properties.com on February 22, 2006.

The written word can never fully describe Herb Cohen's message. You do have to hear him deliver the message to realize how painless it is to learn when the message is full of humor. Herb Cohen has been a practicing negotiator for more than three decades. According to Mr. Cohen, negotiation occurs whenever we attempt to reconcile differences, manage conflict, resolve disputes, or establish/adjust relationships. The gaming mechanism includes caring, but not T-H-A-T much and is best played as a game of addition not one of subtraction or exclusion. Emphasize asking questions (where have we heard that?), actively listening; displaying empathy and understanding, taking notes, avoiding debate, letting the other side tell their story, and using descriptive language. Style supercedes substance. Slow down. Find commonality. Ask for help. Be detached to the outcome. And remember to use huh, wha, and look at your pen!

*(Additional pictures of Money Matters IV on bottom of page 2)*



*Aussie John Johnston with Michael Russer*



*Lillian Montalto and Bob Bohlen with Herb Cohen*

## **Bob's summary of Money Matter ideas:**

- Slow down the negotiation process
- Ask more questions
- Care but not T-H-A-T much
- Impact of high gas prices will be felt in 10 to 12 months
- We are out of the manufacturing economy forever
- Michigan's economic woes provide for a lot of opportunities
- Vision, Purpose, Passion, Creativity
- Everyone zigs; we must zag
- Get rid of the "gottas"
- Who/what can I praise today?
- Cathedral builder or stone chipper?
- Multiple web sites
- Our privacy policy on line
- What message am I sending today?

## THE PREVIEW REVIEW

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## CUSTOMER SERVICE SURVEY

**Sandy Bailey-Bristol** provided excellent communication to Suzy Griggs during the sale of 900 S. Main in Eaton Rapids. Suzy says she would recommend Sandy for any commercial property; Sandy was very professional and did an excellent job for the Griggs.

**The Bogdasarian Team** was great. Barbara Young of BY Enterprises especially thanks Melissa Yee for taking care of the details on the 109 Maple transaction.

**The Bohlen Team's** help was greatly appreciated on a goofy property sale according to Bob Trudell. Bob and Jennie were patient and helpful in a difficult closing. Bob Trudell learned of Preview Properties.com from Linda Kleinschmidt, a Preview McKay agent.

**Scott Bohlen** went out of his way to get the Brian Mulheran family into the home at 416 Center Street. The Mulheran's loved the moving truck idea. They learned of Preview Properties.com through a yard sign.

**Emmy and Bob Brown** were wonderful, efficient, and professional during the sale of 4586 Labadie per Joseph and Ardis Doyle. They had worked with Emmy and Bob before and they received the same great personal service that they had experienced previously.

**Julie Fischer** equals a rare breed of excellence according to Carl and Della Baker who met Julie through the sellers of 50831 Wear Road. The Baker's say that Julie is a real asset to Preview Properties.com.

**Brent Flewelling** was referred to Emily Porter by her cousin Dan O'Berski and her recent closing on 1769 Addington Lane went great.

**Tim Furlong** met Jason and Lindsey Nabozny online and they appreciated Tim making everything seem so easy during the 12544 Roepke, Par II closing.

**Greg Garwood** was called by Rod and Lorland Pearson as a result of a mailing stating Greg's qualifications and experience and they were pleased by the high profile, visual, and aggressive advertising used in the marketing of their home at 10850 Spencer Road.

**Ebe Hennigan** did a wonderful job during the 9939 Cedar Lake Road transaction according to Cynthia Jarson. Cynthia most appreciated the truck and Ebe Hennigan. She totally knew that Ebe had her best interest and Ebe represented Preview Properties.com very well. Ebe is honest and her knowledge is incredible. Her communication skills were wonderful. After seeing some of the other Realtors in action, Cynthia believes she had the best one. She would recommend Ebe to anyone.

**Dolores Johnson** knew Walter and Gesela Bosch personally and kept them updated on desirable properties. Their questions were answered promptly.

**Jeff Klink** negotiated some tough problems in the purchase of 2105 Waters Road and Darren Strawn of Dyllan Construction appreciated Jeff's creative approach.

**Charlie Koenn** is fabulous according to Sheri Belcher & Todd Tribble who recently purchased 2150 Stone Valley Dr. They say that Charlie gave them fast, prompt communication and was always very professional.

**L.E. Kohl** is "the best land Realtor" says Roger Foley who was referred to L.E. to purchase Madley Lane, Par. B-2.

**Carol Kujala** was referred to Ian Bullock by his daughter in law Lisa Bullock when he needed to sell 20102 Rippling Lane. He appreciated Carol's advice on what to do to make the sale.

**Bill Lane** extended his friendship in handling June and Horton Mathews purchase of 585 Snowfield Court. The service was quick, fast, friendly. The closing process was excellent

**Robin Love** is too good according to David and Gina Donie, so there is no reason for them to want a career in real estate. During their transaction at 4333 Cedar Lake, the Donie's appreciated Robin's integrity and honesty as well as her quick response to their inquiries.

**Michelle Lycos** did a CMA, gave personal attention, was persistent, and "closed the deal" when Travis and Nicole Lycos bought Horstman Road, Par. C.

**Phil Moise** was contacted by Raphael Juarez after a search of the phone book and she appreciated Phil's willingness to spend time in finding properties to consider when she ultimately bought 175-177 Prospect.

**Theresa Runyan** sold Rose Kozma's home at 14308 Sunbury and referred Rose to Realtor in Wisconsin. A friend referred Rose to The Runyan Team and Rose like Theresa and Sharon's team approach very much.

**Neal Sanford** was Glen and Elizabeth Cerny's Realtor of choice after seeing Neal's Preview Properties.com signs in the area. They appreciated Neal's knowledge of how to sell a large piece of land effectively.

**Deanna Schneider** was a good listener, paid attention to detail, and did not present a high pressure sales pitch when Julian Verdejo bought 2355 Prospect. A friend referred Julian to Deanna.

**Brian Silpoch** was referred to James and Evelyn Delbridge by a member of their family. They especially appreciated how quickly their home at 5200 Scenicvue sold, the constant communication from Brian, and Brian's dedication to selling their home.

**Ron Sipe's** efforts to sell 3190 Old Carriage were much appreciated by Loyda Baiz. Ron did more than they expected. Ron did a wonderful job.

**Bob Smith** was very professional and informative during Stacey Vaughn's purchase of 307 Woodlake Drive. She was referred to Preview Properties.com by her Dad who was a Prudential broker. Bob's hard work was greatly appreciated.

**Dave Villerot** was called by Joshua and Kimberly Sivey from his Parade of Homes ad and they really appreciated Dave's handling of paperwork.

## CONGRATULATIONS....

Katie Elaine Paul was born August 23 to Michael and Erin Paul and weighed 8 pounds, 1 ounce. Her grandparents are Kathy Paul, accounting coordinator, and her husband Steve.



Ethan Douglas was born July 28 and weighed 6 pounds, 10 ounces. Parents are Julie and Doug Kalis, Grandparents are Regina and Jim Benson.

