

## Disclosure for Foreclosure and Equity Sharing Techniques

The Foreclosure Training course or foreclosure content presented in other Company trainings, products and services are intended to provide broad-based experiential real estate foreclosure and pre-foreclosure training techniques that are applicable in the majority of geographic regions where we conduct our classes. This information is in no way intended to provide legal advice or detailed guidance on how to properly conduct foreclosure and/or pre-foreclosure activity in your state. As with any regulated activity, we strongly recommend that you consult with an attorney.

There is currently a growing group of states<sup>1</sup> which have enacted legislation that could impact how you participate in foreclosure and/or pre-foreclosure activities in those states. Generally speaking, such legislation may regulate both consulting/marketing activities and activities where you in fact purchase the property and/or re-convey it back to the owner. The laws tend to impose detailed contractual requirements and disclaimers along with a right of cancellation for a mandated time period. It is not uncommon for these laws to curtail certain conduct and limit the compensation/profit you may receive in connection with foreclosure and/or pre-foreclosure activities. Finally, many of these laws could be interpreted to prohibit you from taking an interest in a property under certain circumstances, and as such, could hinder techniques we teach to protect the investor. Violations of these laws typically result in both civil and criminal penalties, including multiple damages, fines and terms of imprisonment.

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<sup>1</sup> As of June 24, 2009 we are aware of 25 states which have enacted legislation: CA, CO, DE, District of Columbia, FL, GA, HI, IA, ID, IL, IN, MA, MD, ME, MO, MN, NE, NH, NV, NY, OR, RI, TN, VA and WA.

Created June 15, 2006; revised August 28, 2006, September 6, 2006, June 6, 2007, July 11, 2007, July 19, 2007, September 6, 2007, November 13, 2007, February 5, 2008, March 12, 2008, March 26, 2008, April 2, 2008, April 15, 2008, June 6, 2008, August 11, 2008, and June 24, 2009.