# me & my money

# Ex-delinquent now millionaire

### Juvenile armed robber changed his ways and makes good

Lorna Tan Senior Correspondent

Network marketer, motivational coach and author Randy Gage made his first million in 1994, when he was 35.

It came from a combination of income from his networking business at the now-defunct network marketing firm Megatrend and his training firm Gage Research and Development Institute. The latter was set up in 1991.

Four years ago, Mr Gage joined Utah-based network marketing firm Agel Enterprises, which makes gel-based nutritional products.

Network or multi-level marketing firms typically operate by recruiting a customer to act as an agent, who in turn gathers a team himself. Commissions, based on sales, are paid to agents and more sales result in higher commissions for team leaders.

Mr Gage, 50, an American, started out as a manager at Agel, before becoming a senior manager. Now a "triple diamond director", his annual income comes to US\$1.5 million (S\$2.1 million). He aspires to the next rank of "quadruple diamond director" where he is likely to double his earnings.

Life was not always smooth sailing for him. A school dropout at 15, he got involved in drugs and was caught for armed robbery with a knife. While in juvenile detention, he decided to make something of his life. After his release, he rose from being a dishwasher in a pancake house to becoming a restaurant manager by the time he was 16. He got into network marketing when he was 20. He also ventured into some businesses, which included buying a restaurant, although that venture failed.

Mr Gage, who is single and lives in Miami, was in Singapore last month to conduct a training seminar with his Agel Team members. Agel's Singapore office is in Burlington Square.

He has written seven books, the latest being Why You're Dumb, Sick, And Broke... And How To Get Smart, Well, And Rich.

When it comes to personal investments, he believes in growing his wealth through properties and precious metals.

#### Q: How much do you charge to your credit cards every month?

have 10 or 12 cards. I charge US\$50,000 to US\$60,000 to cards each month. I put a lot on the cards and as a result get frequent flier miles. I pay my credit card bills in full every month. It is such bad policy to carry a debt on the cards. I withdraw US\$400 each time I visit the ATM, once or twice a week.

#### Q: What financial planning have you done for yourself?

My biggest asset is my network marketing business. It is a cash flow machine. Cash flow is king.

I've been putting my money in the bank and I'm getting ready to buy more properties. It is really going to be a bargain market in the US in the next three to five months, particularly in Miami. The market is depressed by 40 per cent to 50 per cent from pre-recession days.

I have money in precious metals, an investment that I started 15 years ago. I also buy money market certificates and certificates of deposit regularly.

Recently, I bought another life insurance policy with a cover of US\$1.2 million. This is to take care of my mother in case something happens to me. I have an earlier policy that has a US\$350,000 cover.

#### Q: Moneywise, what were your growing-up years like?

I was raised single-handedly in Madison, Wisconsin, by my mother. She split up with my father when I was a baby and I never met him. I have a brother and a sister.

Mum was an Avon Lady, a cosmetic salesgirl who sold from door to door. We were pretty poor. After many years, she became a district manager at Avon. I was then a teenager. We lived in a rented two-bedroom apartment. I learnt from her to never give up.

Q: How did you get interested in investing? I studied how Bill Gates and Warren Buffett make their money. I was a millionaire when I was 35 but I was spending a lot too at that time. I started getting

very serious about wealth management about five

My belief is that entrepreneurs are artists and artists never retire.

I may slow down and do fewer things. I tried to retire when I was 40 but it drove me crazy. I was going to play softball, race cars and drink out of a coconut but I got tired of it.

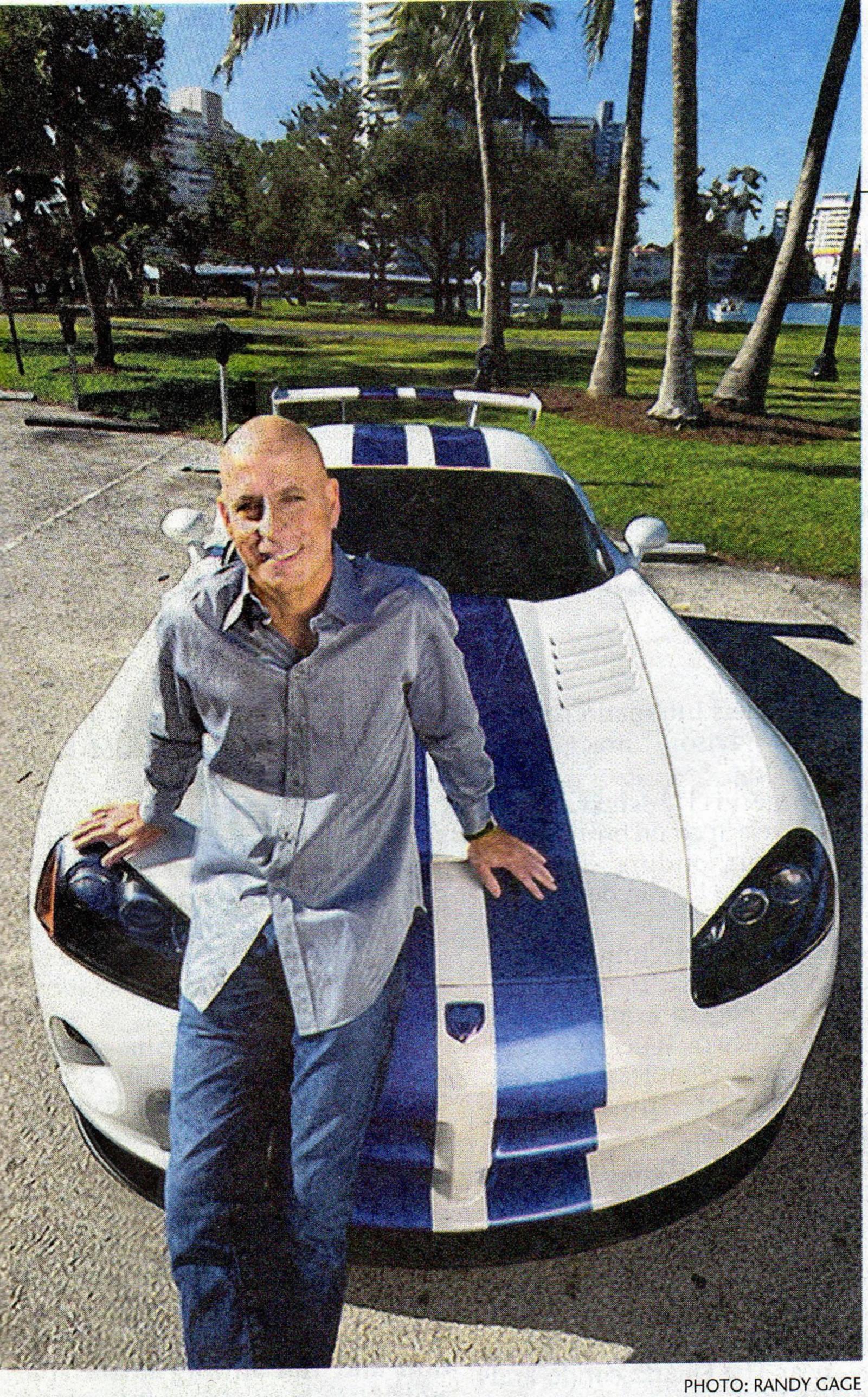
#### Q: Home is now...

The three-bedroom condo in Miami.

#### Q: I drive...

I own three exotic cars. One is a neon orange Dodge Challenger, a new car made retro. I bought it three months ago for US\$50,000. I also have a black vintage Aston Martin which was bought in January for US\$135,000. And I have a Dodge Viper customised with every performing upgrade you can imagine. I bought it two years ago for US\$175,000. I drive a different car each day.

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Mr Gageewith his customised Dodge Viper, just one of a few exotic cars he owns. Three 50-year-old says he has learnt to save, but still spends a lot.

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## WORST AND

**Q:** What has been your worst investment to date? I bought a hairstyling business in 1989 but it failed after one year. I had a partner who was supposed to be more hands-on but the partnership did not work out well. It is not a huge loss but it was huge to me then because I put in everything I had, which was US\$40,000. I learnt I should never get into a business that I am not familiar with.

Q: And your best investment? I believe my best investment is in precious metals. Common sense tells me that the stock market is like gambling but precious metals are the real investment. That is the only real payment in the world. Everything else just promises to pay.

I started stockpiling silver and gold 15 years ago. I buy a few thousand dollars at a time and almost every month. When I first bought them, the value of gold was about US\$550 to US\$600 an ounce. My investment in precious metals is now worth a few hundred thousand. They ultimately go up in value because the supply is limited.

years ago.

What property do you own?
I flipped some condos in Florida and made good profits so I thought I was clever, but I should have just held on.

For instance, I bought a two-bedroom condo in Hollywood, Florida, in 2005 for US\$320,000 and sold it at a profit of US\$150,000 after a year. If I had held on, its worth would be about US\$650,000 now.

I'm now only going to buy real estate to hold and

not to flip.

I own a couple of condos in Miami Beach. I live in a three-bedroom condo which I bought in 2007 for US\$800,000. It is now worth US\$750,000. I believe the value will go up to US\$1.5 million a year from now. I also have a two-bedroom condo which I bought five months ago for US\$300,000. I'm renting it at about US\$2,000 a month.

Q: What's the most extravagant thing you have

bought?
I have 300 watches, from Swatch watches that cost US\$20 each to luxury ones. It's all about style. My most expensive is a Concord, bought at US\$65,000. I bought it last year as a Christmas gift to myself.

Q: What's your retirement plan?

