

## How to Find a Fortune in Other People's Junk

When most people think about the junk business, they picture huge lots, full of rusty cars, assorted parts, and expensive machinery. That's a fairly accurate picture of a thriving, serious junk scrap business. But there are also little guys out there, making it off of what other people throw away; as a side or main business; with or without property to put their stuff on; and they're not experts on parts, metal or antiques either. They're just people who have learned to distinguish valuable stuff from trash. They also know what to do with it.

And in this audio interview, you'll get a feel for exactly what that industry's like, from an expert. Dave's been making a decent living from the small scrap business since the 1980s. And although the industry is changed a lot since then, there's still plenty of opportunity to be made, if you know what to do. And, he's going to share it all with you. In this interview, you'll hear a fool-proof strategy for getting idle cars you want in your neighborhood for cheap. Sometimes you just have to be patient and on-call. Do this one thing to most of the broken lawn mowers people toss out in your area, and Dave says they'll start right up, and you can resell them for quick cash and easy money.

You'll hear about a couple quick stories that illustrate why the motto, "You've just got to go look" is the most important saying in business, because things could be much, much better than described, or much, much worse. You'll hear the only place you should always grab your flashlight to check for hidden money in any used car. And other surprising valuables people stash away in their cars, then forget about when they sell them.

You'll learn a quick-start guide to teasing out a junk car. How much parts usually go for, what a "core" buyer is, and how to find one in your area. And a cost-effective look at whether or not this is even worth it any more. You'll hear the shocking truth about the U.S. steel industry in China – what happened, and what this means for you. You'll hear about Dave's "barrell route" for getting started today in scrap. He says no one else is doing this, so it's a huge opportunity, and all you really need are a few three-dollar barrells and a homemade trailer. You'll hear about Dave's small yellow page ad, for buying junk cars. It did better than most of the full-page ones right beside it, and a three-step plan he used to close his deals for cheap.

There is a ton of value in what other people consider junk. But because they don't see it, they'll give it to you for nothing or next to nothing. And if you learn to recognize worthwhile stuff from the trash, and know where and how to re-sell it, you'll not only make a good chunk of change for yourself, but you'll also be doing

the environment a favor, by keeping the landfills from piling up with stuff that doesn't need to be there.

It's easier than you probably think, and in this audio interview with Dave, you'll learn all about it.

*Hi, I'm Michael Senoff, founder and CEO of [HardToFindSeminars.com](http://www.HardToFindSeminars.com). For the last five years I've interviewed the world's best business and marketing minds. Along the way, I've created a successful publishing business all from home in my two car garage. Now my challenge is to build the world's largest free resource for online, downloadable, MP3 audio business interviews. I knew I needed a site that contained strategies, solutions, and inside angles to help you live better, to save and make more money, to stay healthier and to get more out of life. I've learned a lot in the last five years and today I'm going to show you the skills you need to survive.*

Michael: Let's just roll with the stories, and then we'll get to some of the nuts and bolts.

Dave: You can go up to somebody that has a junk car in their yard, and they'll get mad at you. "That's a valuable car! What do you mean you want me to sell that to you for junk?" It'll sit in that yard for ten years, until it rots into the ground. But in their mind, that's a valuable car. Now one day they're going to wake up, and look out the window, and go "Oh my god! That thing's junk!" and then your phone rings. And oh man, you better be ready to go get it THAT day -- or you know, in 48 hours anyway. Weird quirk of human psychology, but that's how they do.

Dropping into the '64 T-bird story ... I got a call, and the guy says, "My son and I spent thousands of dollars together on this project, the '64 T-bird. We rebuilt the engine, transmission, rear end, bearings, everything. He's got to leave the University of Florida here, he's got an apartment, and they've got to have that car out of there tomorrow." And he said, "Now, all the tires are flat, and it's been laying there for years, it hasn't been started." He said, "What can you give me for it?"

In that era, my top dollar for junk cars was about \$40. I said, "I'm going to take you on faith that it's good, and I'm going to take a look at it when we get there, but I'll give you \$40 and I'll come get it right now." "That's great! Man, we got to get it out of here!" Jump in the wrecker, go down there and tow it home. I drained the stale gas out of it, fires right up, he was not lying! You could look and see fresh paint on everything, and somebody who knew what they were doing had done it.

My girlfriend detailed the car out, cleaned it up, put some tires on it. We got \$2500 for that thing two months later.

Michael: Wow! I'd think you'd get more than that! How long ago was this?

- Dave: This was in the mid- to late 80's. We live in a dirt-poor area.
- Michael: So in that area, there's not too many people sitting on \$2500 in their bank account.
- Dave: Oh, nobody. As a matter of fact, that's one of things. I always kept about two thousand where I could put my hands on it, cash. Because people come up to you, Saturdays and Sundays, "Oh man! I got this gun and this whatever, I'll sell it to you for \$20." And that's some stuff that was incredibly valuable. And if they knew you did that, you're good.
- Michael: Had you seen that car? Or did he call you because you were already ...
- Dave: He called me.
- Michael: You were full-fledged in the scrap business at that time?
- Dave: Right. I had an ad in the yellow pages, and we'll get into that later. Man, it was a unique ad, and he saw that ad, and called me. Now, if I had gone down there, two or three days before and asked them if they wanted to junk that car, they'd go, "Man, we got thousands of dollars in that thing! We're not going to junk it!" I don't care if he's got to be out of his apartment in three days!" But when it got down to the last day, and that thing had to go, the telephone rings. And away I go!
- Michael: That's really important, because I can totally relate to this. People are hoarders and then there's purgers, right? Hoard and purge! You get into a hoarding mode, and then you have so much shit you want to get rid of it ... You want it out of there. You'll pay somebody to come take it out of there.
- Dave: Let me give you another "warning" story about the scrap business. Me, personally. You get a lot of deals where, "I'll give you this (really valuable) if you'll get rid of this." Okay cool, so you take the goody, and you take the junk. We toss the junk off to the side, and you go sell the goody. Do that for about five years, and you'll be like me. You'll have three acres of junk, that nobody really wants. When I had to clean that up, it took two months of landfill runs. But hey, it was educational. But hoard and purge?? Woo-baby! When you do the purge, it's really mentally satisfying, to have all that stuff gone. Because I think all that junk occupies some place in your mind, and makes you crazy on a subconscious level.
- Michael: I agree. So on your property, where you lived, paint a picture of what your place looked like ... what year you started in this scrap-metal business, and how you got into it in the the first place ...
- Dave: It was about '80 actually when I got to the first flash. I'd been a foreign and exotic car mechanic for years, and I'd had about enough of it. Pulling wrenches is a

horrible hell-of-a-hobby God-awful way to make a living. And one day, the guy I was working for said, "Alright, we're getting all these junk cars out of here today."

And up rolls Junkyard Slim, who weighs 400 pounds, in his pick-up truck with a long trailer on the back, and another car, and about three or four guys to help him. And what they do is, they position that trailer up alongside the car, take the other car, run a chain over the trailer, over the car, and tie it around the window post, take off with the car, and it would flip the junker up on the trailer upside down on the roof. He knocked three cars up on the trailer, and headed for the junkyard in about twenty minutes.

And I'm going, "Hey, look at this. I think I could do that!" Well, you know, that had to ferment a little while, but then long about '81, '82 I was in a beautiful situation. I had a piece of land with a hundred dollar mortgage payment -- make groceries, electric and phone and I had it. And I'm going to go for it. Now one thing, I was terrified to leave the security of working on a job. I'd have done it years earlier, if it hadn't been for that.

But when I finally overcame that and jumped into it, I had kind of a stop-gap: I was running newspaper routes at night. And that was just enough money to cover the expenses so I knew, okay, I can do the learning curve. And I did a terrible learning curve!

Michael: Were you living on that property?

Dave: I was. It was eight acres, way, way, way out in the woods. And now there were neighbors, you know ... these were eight acre plots, but there were never people out in the eight acre plots. Just some of that famous old Florida real estate, from back in the sixties ... You know, hundred dollars down, hundred dollars a month ... Hey, YOU can live in Florida!

Actually, a friend of mine worked in a bank, and she gave me a call one day. She said, "Dave, you need to become a property owner." And I'm like, "What?" And she said, "Look, this guy owes \$2500, and he will sign the property, mobile home, everything over to you, if he can get his hands on that \$2500. It's yours, and it's got an ancient mortgage that's \$100 per month." Well, a tax check had just come in, and that was \$2500, coincidentally, and we looked at it. She guided me through it, being a banker. And there I was, owner of my first piece of property. You know what? I've always owned my own almost entirely since then.

Michael: At that time did you know, or did you question, "Well, if I get into this junk business, this is my land, I can put all kinds of crap on it, and no one's going to bother me?" Did you understand that at that time?

Dave: At that time, that would have been legal. It was zoned agricultural, and the ag zoning at that point in time allowed unlimited amounts of scrap on it. It was legal, at that point in time, ya. So then I figure my first thing out, I had two old sedans, and a trailer. The local city was doing a local clean-up -- they wanted all the junk

cars out of here, so I went down to the city council meeting there, and told them, hey, I'll get them for you! They got real curious about that, and basically signed me on to do it. And they forced people to get rid of them. And this happens a lot. So I kind of lucked into something there, right off the top.

Michael: What kind of equipment did you need to get started? Did you have a tow truck?

Dave: No! One old beat-up Plymouth sedan, one trailer long enough to pull a car up on, and one other old beat-up Chrysler that the way we used it, would chain the car up and flip it up on the trailer.

Michael: So the trailer was like a sturdy, flatbed trailer?

Dave: Ya, it was actually an old frame out of an old travel trailer. Wasn't even that sturdy. But ya, it got me started.

Michael: Did you have to do a contract with the city? Did they give you money upfront?

Dave: No, they didn't pay me anything. But what they did do, is tell the people, "It's got to go. We're going to fine you. Dave will come get it for you." This is a very small town. A lot of things were done on handshakes, or verbal agreements.

Michael: Oh, very interesting. That got you started, how many cars were you pulling out?

Dave: About ten a week. Well, okay, this is the next phase. At that time, this little town's about twenty miles out of Gainesville. There's a scrap yard in Gainesville there, and so I'd just flip the car on the trailer and head for Gainesville. Oh, by the way, don't ever do this today, because back then they weren't as tough on enviro stuff, and if you do that, the oil's going to leak out of the car, and you're going to get in trouble. Salvage cars sold in Gainesville for a fraction of what you get in Jacksonville for them, which I knew. And that's what old Junkyard Slim was doing. He'd take that long old trailer, and he'd take it to his house, and dump them off. And then he had a big old tree, will a block and pulley up in it. He'd stack the cars on that trailer, and they'd tow them up to Jacksonville and sell them.

So one day I drove into Gainesville with my one car on the trailer, and the guy there says, "Hah! I've got you man! You've got to sell your junk to me and there's nothing else you can do! ... I've got you!" Oh, talk about motivation!!

Michael: Why did he say that to you like that?

Dave: He was arrogant, man! He was incredibly arrogant. He thought he was the only game in town. He looked at what I had and figured, "Oh, this guy ... he's not going to make it up to Jacksonville. I can mess him around."

*Hey, it's Michael Senoff here, and I hope you're enjoying this interview with Dave, my scrap metal expert. Listen, if you are, I encourage you to send for Dave's free report, called, "How to*

*Afford to Eat Steak and Lobster Every Night of the Week, from the Money You Make Buying, Fixing, and Selling Appliances on Craigslist.” It’s Dave’s simple system for making from a few extra bucks a day, to making a full-time income, buying, fixing, and selling appliances on Craigslist, and in your local community. The report is totally free. All you need to do is go to <http://www.FixSellCom.com> ... that’s F-I-X-S-E-L-L-C-O-M dot com ... <http://www.FixSellCom.com>. I think you’re going to like what he’s put together there for you. Thanks for listening.*

Michael: The scrap yard’s going to pay per pound, per car? What are they going to make on the car? What are you expecting to make on your first car?

Dave: Back then, he was paying a penny a pound. If I could get them to Jacksonville, they’re worth three or four cents a pound.

Michael: Why such a big difference?

Dave: It’s eighty miles away, and this guy was making a fortune, because nobody wants to take that eighty mile ride back and forth, even locally. So he had all the scrap he wanted coming in. He was making a fortune. Now he’s a broker. If he’s been paying three or four cents a pound, he’d be getting about six or seven cents probably. Most of the brokers make their margin on about two or three cents per pound. At his level, he has to sell by the semi-load or the train car. That’s the deal with being a broker. You have to have that huge quantity, and you have to sit on it a lot of times, and it’s a chess game too. Because you can ride the prices out and wait, and sometimes you can do real well, and sometimes you just get killed. It’s a chancy business on that level.

Michael: What happens to all that steel ultimately?

Dave: Okay, two things. If it’s a whole car, usually the way they’re disposed of now – and it’s been this way for a long time – if you can get together 300 cars, you can call in what’s called the Car Crusher. The guy will come in, crush your 300 cars, ship it up there, get the check, and pay you. He’ll pay you about half of what you would have made if you hauled them up there yourself. It’s a money-maker, because you lose it in transportation and time. But, you have to have enough financial depth to be able to buy 300 to 350 cars and still survive until you can get him in there.

Michael: So, does he come down with a car crusher?

Dave: Yup, it’s portable. It’s mounted on a semi-trailer. He’ll roll in with that car crusher and a couple loaders. His deal also is he gets all the heater cores that are left in the cars. And they’ll take the loader and poke the heater cores and the A/C cores of the cars, pile them up, crush the cars. They usually hire some little guy with a semi to haul them to the shredder. And off they go. The guy I had was great. I mean, within a week after that last car went out of there, you had a check. In that era, crushing about 300, 350 cars would bring you a \$15,000 check.

Michael: What about parts from the car? Is there value in any of the rest of the car?

Dave: Now we get over into the other end of scrap. You have tin, #1 steel, #2 steel, and cams and motor blocks. I'll start with #1. Number one's a quarter inch and over. Number 2's, I think 1/8 to a 1/4. And tin's everything underneath. There's an unprepared category. You can bring them up there, and they'll just give you peanuts for it, and they'll go ahead and cut it down to size. And then there's cast iron, which is brake drums, old radiators, stuff like that. And there's motor blocks, which are obviously motor blocks out of cars. Those are your major categories.

And then you have to cut them to a certain size. Like all the one and two steel, you've got to have no bigger than three foot by 18 inches, is traditional. There's some little outfits, and sometimes you can get paid more for cutting some things a different size. I used to deal with a little local foundry here. And I had a deal, cutting scrap out of a Georgia Pacific yard. They had huge, thick plate in there. And for a while they paid me a lot of money to cut that into two by two pieces. That's what fit into their furnace. That worked real well, until they tried to rip me off on one load, and that was the end of that.

Michael: How long did it take you to get up to that point?

Dave: About three or four years.

Michael: What kind of profit could you make? You said you'd get a check for \$15,000. How much of that could you keep if you were up to the point where you had a crusher come in to do 300 cars?

Dave: You'd have five into the cars, and going to get them and stuff. Three to five, going to get them, depending on how well you did, and put ten in your pocket.

Michael: Did you do a lot of those?

Dave: Ya, and that's what also started getting me in zoning trouble, too. But we'll get into that later. (laughs) Ya, that was steady. I got to the point where I had enough money stacked up that I could do that. Ya, I could afford to work that way.

Michael: I see you said here in your notes, you averaged re-selling about a million pounds a year, mostly steel, to make about twenty to \$30,000 net yearly, on forty to sixty gross. Okay ... ?

Dave: That's when I had it going. When I had the learning curve down, when I was rocking and rolling, that was even before the crushing era. I had a truck and a large trailer, that would haul six of the cars of that era, which you know were five or six thousand pound cars up to Jacksonville. And that's what really took me over the top, was being able to take that stuff – after that arrogant scrap guy told me, "Oh I got you!" "Ha, ha, no you don't!" When you tell me that, I'll get you. But I built the trailer, had the truck and started doing the runs to Jacksonville. And the truck was a boom truck, added an old boom, a friend gave me a winch off of the

front of his old military deuce he had, and an old car transmission to back the winch up over the back of the power-take-off. And that thing, you could load the cars, and get them up there quick. Ya, I turned around about three loads a week, six cars a load.

Michael: Now you said, most of your income was from the steel, but you also made some money off nonferrous scrap like aluminum and things you could resell as salvage. Let's talk a little bit about how you were doing that as well.

Dave: Okay. And even small pieces of steel. Most cars come in, the trunks were full of stuff. You get hanging around auto shops, there's a lot of stock car racers, a whole lot of motor trade. There's a lot of small pieces of scrap that just end up getting thrown off to the side. So what I'd do, I'd keep barrels that I'd sort them into as I got the stuff. And I would usually save it up until about October.

Now I don't know if this is still the case, but the whole metals market used to go on futures. And all the aluminum and the brass, and the copper – the futures bid would start in October. And the prices would spike, almost every October, without fail. I haven't tracked it lately, so I don't know if that's still true. But I'd just keep filling barrels, filling barrels, filling barrels until we got up to October – with brass, copper, aluminum. And then run them in, getting on towards the end of the year.

On the aluminum, the brass, and the copper, and the stuff, your categories -- I'm going to suggest that somebody wants to really get a handle on them. Get on the 'net and there's sites that list the different categories ... very roughly. You need to be able to tell brass from copper. It's red and yellow brass – sort them out. Copper, that's wire, pipe, stuff like that, different grades. Now there's clean, which has nothing else on it ... No steel on it, wire without any insulation on it ... that brings you the most money, but you rarely find it. So you have to kind of sort it by categories. Sort the wire, sort the red and yellow brass, you'd sort what they'd call "irony" which is any kind of brass, copper, aluminum, that has any iron in it. Screws, bolts, nuts, not worth your time to pull them out usually. So you just sort them as an "irony" category. They bring less money, but it's not enough MORE to clean them usually, to get it. And every now and then you get something that's worth cleaning. But you can make your value judgment there, as you get a little experience in it.

Michael: Let's just roll with the stories.

Dave: I got a '64 GTO convertible, that was one of those cars that started out mint, in the guy's front yard, and gradually rotted down, rotted down, rotted down. By the time I got it, the floor was gone out of it, and the rust was crawling up the side. But, what we had, was every single piece of trim on that car was perfect. The top was still intact. There's probably, even at good prices, there was still three, four, five hundred dollars worth of parts on that, if you're trying to restore one of them and they were in good shape. So I wrote all that up and put it in the paper. Well, the phone starts to ring with collectors. They're going, "I KNOW you only gave forty bucks for that thing. You're going to sell it to me for \$100!" And I said, "No

I'm not." I had it in there for two or three hundred. And there were about three or four of these ... Ya, they would pester me and pester me, and call me, and annoy me.

And finally, one of them really made me mad one day ... caught me just in the wrong mood one day. I said, "Ya, okay, I'll sell you the car for \$50. Come on out here." Well, I went out, and I had this homemade car crusher. I smashed that thing into the ground. I broke every piece of trim, every topline. I annihilated the car. And each time any one of those guys called back again, I said, "Ya, come on, I'll sell it to you for \$50." When they came out there, of course they had a heart attack, because you couldn't find those pieces anywhere. And they were almost crying. And I said, "I hope you learned something today. Don't be annoying. Don't mess with people, and you really ought to be willing to pay what something's worth when it's a hell of a deal!" A little educational moment there, but back to the parts ...

Okay, first thing ... everywhere are old starters, alternators, water pumps, pieces off cars. Any of that stuff that rebuilds, there are guys running around called "core buyers." You need to sort that stuff into barrels by category ... starters in one, alternators in another, clutches and stuff in another, water pumps in another. If you need to find these guys, the thing to do is find the nearest auto factories near you that rebuild auto parts. Call them up and ask them who are the core buyers in your area, because these are little independent guys. They all work on their own, the buyers.

Michael: They're all over the country, aren't they?

Dave: Ya. Watch for a one-ton truck with a stake body on the back, and a mountain of auto parts. And usually it'll be a late-model truck, almost brand new, because they run a lot of miles, so they'll wear a truck out. That's the core buyer. If you see him, flag him down if you've been doing this. They're your man! And that's your first most lucrative deal. Back then – I don't know what it is now – they'd give your two to four bucks a starter. There were some of them that were worth a lot of money. A Ford diesel truck starter, when they first came out with that in a pick-up truck ... that was a \$150 core, if you could find one.

Michael: Wow!

Dave: Ya, there's some real bonus features. And of course the core guy – they'll tell you what they want. Ya, they're looking for those \$150 pay days, too, because when he goes up to the factory with it, he's going to get three for it, you know he is. He'll tell YOU what he wants.

Michael: So the core buyers are collecting as much scrap, in their mind, as they can. Where are they going with it?

Dave: They go to the rebuilder, the factories or whoever rebuilds alternators, starters ... like for example down here, in the town of Jasper, Georgia, there's probably 50

or 100 automotive parts rebuilders ... motors, transmissions, water pumps. All the core buyers around here deal in Jasper. They run around here, fill up the truck, head for Jasper – it's pay day. And that's how it works here.

But, it's different now ... a lot of stuff is getting shipped overseas. Another outlet for the actual cut scrap was to run down to Tampa, and sell it to brokers on the docks down there. There may be something like that going on with parts now.

Michael: When you tell me, just in that little town there's fifty rebuilders -- it just makes me think, how big is this scrap industry?

Dave: Oh, ho (laughing) -- it's scary huge! It's one of the bigger ones in the country. It stays real quiet, and it doesn't say much, but it's a monster.

Michael: Why do you think it's so quiet?

Dave: Well, I laughed when you first contacted me, and said, "I know you made a fortune in the scrap business!" Everybody thinks everybody's making an unfair amount of money in the scrap business. And the more that they notice that, the more they'll cause you problems, which we're going to get into later. That's why people tend to stay pretty quiet about what they're doing ... because it just minimizes the problem with people dialing up the IRS, and all the Federal agencies ... siccing them on you. And the people do that because they get jealous ... They think you're making all this unfair money. They're not able to do that, so by god, they're going to fix you! It's sad, but that's what the motive is.

We never finished saying what happened with the cars after the crusher got done with them. The crusher takes them to what's called the shredder. This is a 6000 horsepower hammer mill, that will shred a car into pieces of steel the size of your hand in thirty seconds. It goes down the chute, it goes in the shredder, out the other end comes steel on one conveyer, brass on another conveyer, copper on another conveyer, aluminum on another one, and the big problem ... foam rubber. My broker up there, when I was running them into the shredder, told me, "Dave if I had a way to get rid of that foam rubber, if I could just GIVE it away and not pay to dump it, I'd pay you twice the money I do."

Michael: This shredder sounds like an incredible piece of machinery.

Dave: My god! The ground shakes when a car goes through it.

Michael: And it separates all that stuff?

Dave: Yup ... After it comes out of the hammer mill it goes into all these shaker tables and magnetic rotating drums, and stuff, that separates everything. Yup.

Michael: Who owns the shredder?

Dave: Okay, in my era, it belonged to a company called David Joseph. They had it built right next to the steel mill in Jacksonville. And they had a little captive railroad in there. They'd shred the stuff. The steel would go off the conveyer, right into a railroad car and over to the steel mill. They'd ship the other stuff out when they got a truck load of it. And then they had to landfill all the foam rubber.

Michael: It would literally shred a car in thirty seconds?

Dave: Br-brbrbr- brbrbr- boom! Gone! (laughs) Right. Every now and then, it'd sound like somebody left a propane tank in one, or something like that. I was there one day. They inspect them before they put them in, but every now and then they'd miss something. There's a pop-off hatch on the top of that thing, for just such events. When that propane tank went off, it blew that hatch up in the air, like a ten-ton Frisbee. You're talking about people running to hide under cars, man!

Michael: Did you see that happen?

Dave: I did. I was right there, next to it! It unloaded my trailer when it blew.

Michael: So tell me, what's the problem with the foam, because there was so much of it from the seats?

Dave: Ya, exactly. But here's the funny part now. So they piled it up in mountains. Now, somebody's robbed the local Jiffy Store, and stashed all the money up under the dash, and nobody'd ever known that, or caught that. When the car went to the shredder, all the bills would come out with the foam rubber.

Michael: So would they come out intact, or shredded?

Dave: Intact, ya.

Michael: You're kidding me.

Dave: So, the mounds of foam were right where you'd wait in line, with the trucks to go into the shredder. So every now and then, somebody would look up and go, "Money!" And the money'd be pouring out on top of the foam rubber. But now we're talking a fifty-foot-high mountain of foam rubber. Think about trying to climb that. But if you get up there, man, you're going to cash in! ... until the guys in the yard spotted you ... and then they'd run you off. But you know, if you're quick, you get up there, and get yourself some bills.

Michael: Did you see this happen personally?

Dave: Oh, two or three times, ya.

Michael: Let's say for every hundred cars that went through that shredder, how many of them do you think had money sitting in there?

- Dave:d They all had change ... all of them. And as far as a big stash of bills, probably one in five hundred.
- Michael: Where does the change come out?
- Dave: Under the back of the seats. You ever want to get a soda, when you're running around getting junk cars, just rip the seats out, there'll be two or three bucks in spare change. There's actually a separate mechanism in the shredder to sort the change. Ya, it all goes into its own container. Because that's a lot of money.
- Michael: Wow! That's crazy.
- Dave: Oh, ya. Let me do one more on the cars, then I've got something your people are going to want.
- In the cars always – always – pull the seats, open the trunks, look under the dash. You'll find the roll of bills, the guns, the change. A lot of them, when you open the trunk, there'll be tools in there, all kinds of valuable stuff. I even know a retired guy that came. He says, "Dave, if you'll let me just get everything out of the cars, I'll go sell it and split it with you." That's a deal! He did it. He'd take it to the local auctions, and sell it by the boxload. Even clothes, stuff like that, would sell.
- Michael: What would he sell by the boxload? All the stuff he found in the cars?
- Dave: Ya, like if you found a bunch of clothes, there's a lot of little auctions here, little tiny auction houses, that sell the weirdest things in the world. People actually go to them for entertainment, and just buy box-lots, just to buy them and take them home. Actually, my favorite one was a nudist preacher auction house. This guy was a nudist preacher that ran an auction house. Now, he didn't do the auctions nude. Ya, everybody knew the deal. And he was a character, as you might guess. So everybody loved his auctions. They'd just buy anything from him.
- Michael: So this guy approached you? You didn't want to mess with pulling all the stuff out of the trunk? You weren't looking under the dash at that time?
- Dave: Nah, I did. I'd look under the dash real quick, and I'd pop the trunk on every one.
- Michael: Where do you look under the dash? Under the driver's side?
- Dave: Ya, get a flashlight. Put your legs up over the seat, and stick your head up under the steering column there. Look all up in there. Do that on both sides. It'll pay off, one out of every fifty to a hundred, you'll find a gun or some money or something.
- Michael: Have you found guns under there?
- Dave: Oh, plenty!

Michael: What's the most money you've found in there?

Dave: Oh, okay. Good story there. Chrysler Cordova, rusted to death. I told you about the little crusher I hit the GTO with. I went to smashing the roof in on that, and I looked back. Man, there were a whole bunch of flat washers rolling out of the trunk on that thing, where all the rust is. So that's cool. I can always use a big flat washer, go back and get them. Damn! Silver dollars!!!

Michael: Oh, my god!

Dave: I tore the headliner and everything out of that. There were ten Chivas Regal bags full of silver dollars!

Michael: What the hell!!! Are you kidding me??

Dave: No, no, no!

Michael: So how many silver dollars were there?

Dave: You know, I've forgotten, but there were a lot.

Michael: Where were they, up in the headliner?

Dave: Yup, they were stashed up in the headliner and the headliner running down the back columns into the trunk. When I knocked the roof in, they went down into the trunk and out the rust on the back fender. And I spotted those few that fell out. Ya, those were the best flat washers I ever found!

Michael: That's incredible. Do you have any other stories like that?

Dave: Well, I could have armed a small nation back then with pistols.

Michael: Well, what did you do with the guns?

Dave: Pretty much junked them. I didn't want to get into that kind of trouble.

Michael: I see.

Dave: As a matter of fact, I'd usually disarm them in some way and junk them. But now when that guy took over doing all that for me for the split, I didn't ask any questions.

Michael: So, he would take all the stuff, go sell it, and then he would come back and give you a check.

Dave: Yup.

- Michael: It was just a matter of time. You had your specialty, and that was his thing, and he just split it with you.
- Dave: Ya. Time becomes a real issue when you're running at this level. You got to get the cars, you got to get them in, especially if you're trying to beat the clock and get up 300 of them. You got to rock and roll and get them in there. So this guy doing this was great. And the other thing about this guy, is he hung out in all the bars. And so, if he heard somebody: "Ah, man! The rear end just went out of my pick-up. He'd come to me and go, "Dave, we've got to pull the rear end out of that truck, I can get a hundred dollar bill for it tonight." "Go, man! Get it!" He'd pull it and take it to the guy, sell it to him, and we'd split it. He was a great guy! I missed him when he disappeared!
- Michael: That's a great story. Do you want to do "Chester's Junkyard?"
- Dave: Ya, that's a good one. Chester still runs a junkyard here. He's a great guy.
- Michael: How long has he had it for?
- Dave: Since the sixties.
- Michael: Were you doing business with him?
- Dave: Ya, ya. At one phase when I was saving up cars for the shredder ... if I'd run short on money -- he was closer to the crusher than I was -- he'd buy the cars off me for what the crusher would pay. And I'd do that just to make cashflow. There were three of us doing work together that way, to bail the other one out ... If somebody needed a part, somebody needed help, somebody needed a piece of equipment -- no questions asked. Go! Take it! Do whatever you got to do. Chester was one of them, man. He was great. He saved me on a couple occasions, coming up with a part for the truck that would've put me down for two weeks otherwise.
- Michael: Alright, so everyone worked together ... ?
- Dave: Ya, well, not everybody. Just ... we had those alliances among the three of us. It was Chester, and another guy named Ed ... and they're both still in business, doing real well.

*Hey, it's Michael Senoff here, and I hope you're enjoying this interview with Dave, my scrap metal expert. Listen, if you are, I encourage you to send for Dave's free report, called "How to Afford to Eat Steak and Lobster Every Night of the Week from the Money you Make Buying, Fixing, and Selling Appliances on Craigslist." It's Dave's simple system for making from a few extra bucks per day to making a full-time income buying, fixing, and selling appliances on Craigslist and in your local community. The report is totally free. All you need to do is go to [www.FixSellCom.com](http://www.FixSellCom.com) . That's www-dot-F-I-X-S-E-L-L-C-O-M-dot-com. Check it out: [www.FixSellCom.com](http://www.FixSellCom.com) . I think you're going to like what he's put together for you. Thanks for listening!*

Michael: Alright, so what's the story with his mom's cottage?

Dave: (laughing) He had an old-school junk yard – it was probably ten acres of stuff, just piled to the sky. Oil all over the ground. But in the middle of this, was a pristine patch of lawn with a white picket fence and the most beautiful little 1920s or '30s Craftsman cottage sitting there. Beautiful, all painted up. That was his mom's. And if you wanted to see Chester, you'd have to go visit his mom. But inside it was all nice. She had a shot-glass collection that covered probably every wall in the cottage. There it was just such a great change – nasty old junk yard and then *pristine* cottage.

Michael: I can see it right now in my mind's eye.

Dave: Now we got to get into the guard geese too. If you have cars sitting around, the thieves are going to know that, and they're going to come for them. Chester had a flock of about 40 or 50 geese that he let go in there, and you could go in there WITH him, but if anybody else went in there, those geese would run you up in the car and hold you there, until somebody came down. You could DIE out there if you were too far out and the geese weren't gong to let you out!!

Michael: That's brilliant!

Dave: Oh, it is. Geese are nasty! Terrible, if you got forty or fifty of them after you.  
(laughs)

Michael: So they get to know you if you own them like a pet?

Dave: Ya, if you feed them every day, then you get their respect. A few things, I think. You know, there's different temperaments in animals. He'd feel if any of them came after him, he would wring their neck and eat them!

Michael: What are the thieves going to come look for on those cars? I mean, wouldn't have Chester already gone through the trunk, under the dash, and really looked for the valuables?

Dave: Parts are what they steal! Oh man, one night I towed a beautiful old 442 Oldsmobile, and I had to leave it over where he had all the cars piled up where you go for the crusher. When I came back the next morning, all the rims and tires, the carb and manifold, four-speed transmission, everything was stripped out of it and gone. They'll work all night to get that stuff. My answer to that was I started to get random nights I'd camp out on a hill out there. This was way out in the rural areas, I had a .22 rifle that's extremely accurate and I'm a good shot. So I'd wait until they get in there, and they got working on them. And I'd shoot a window out in there. Well, they'd get up and they'd start running, so I'd knock another window out ahead of where they were running, and they'd start running back the other way. I'd run 'em back and forth for five or ten minutes, and then I'd let them escape.

You know, you do that a few times, they don't come back ... They never know if you're up there or not.

The only thing these people respect are "crazy," (laughs) not much else. If they think you're a little unbalanced, that's to your benefit!

Michael: Okay, what about the antiques you were talking about?

Dave: Oh, ya. This is anywhere. People pile up piles of steel, especially farmers here on particular old farmsteads. When you go through that stuff, it would pay to know what's antique ... even if you suspect something, throw it to the side ... Now you go look it up on ebay and see. But you just get all kinds of incredible cast iron stuff, and just weird tractor part things, and old car parts that'll be laying in there, that somebody would just give an arm and leg to have them.

Which is why, when ebay and Craigslist came along, you know I was pretty well out of it, then. I was just getting out of it, when all of that stuff was starting to pick up speed. So I got to take advantage of it a little. But today, man, oooo! And actually it was interesting in the eighties, and that era, there were a bunch of antique dealers from up north that came through and stole a lot of stuff off the old farmsteads. There's a lot of old farms here that go back into the 1800s and stuff. And there were piles of stuff, like old cane mills, these big iron pots they cooked the stuff in, a lot of big, heavy cast stuff that's a very, very valuable antique.

Michael: They just came in and took the stuff?

Dave: Oh, ya ...

Michael: Off of the land??

Dave: Yup, they'd just go in there and rip it off and go.

Michael: So if you own a bunch of land, you better have it gated ...

Dave: You better have it secured if you have anything valuable on there. At least around here. There's a guy now. He sells vintage building supplies, and they caught him doing that.

Michael: Did he go to jail?

Dave: Ya, I believe he's going to be doing a little time over that one. These old houses have even stuff in them like wood that's so fine-grained, beautiful! If you tore down that house, you could sell each piece of that wood to make into something decorative – furniture, stuff like that. Because there's no more wood like that; it was the first cut of all the piney oak trees down here, and those things were a hundred years old when they cut them.

Michael: Tell me about this story here, #14, about the weird and valuable things you stumble into, like the video games.

Dave: (laughs) Oh, hey! Right place, right time, with the right equipment! Rule number one, you got to go look! This guy calls me up, he's got a mid-sized car, he's fifty miles from me. He says, "Ya, I got this car. I need to get rid of it." He said, "I know it's a long way, so I'll give it to you." So that was just about a toss-up with the fuel it would take to go it. I said, "Ya, that's fine. I'll come get it." So out I go, I load up the car. And he looks at my rig, and at this point I've got a dump truck with an articulating crane on it and a really long trailer. He goes, "I got something that I will give to you, which would help you, and it will help me. You want to take a look at it?" I go, "Oh, ya!" (laughs) Off we go into this big old barn. There are those big arcade video games, as far as the eye can see.

Michael: Whoa!!!!

Dave:d I go, "Okay, what's the story here?" He said, I owned bars in Miami all my life. And I got tired of the Mob, and everybody else wringing me out for money. So I started buying my own video games, pinballs, stuff like that." He said, "These are all the ones that broke. I just threw them in the barn here and never fixed them. You know, I'd bring them up here when I came out of Miami, and I'd just throw them in the barn," he said. "And now I want my barn back!" He said, "If you'll come out here and get these damn things, I will give them to you." (laughing) I go, "Hey, hey! You're on, bud!"

Michael: How long ago was this?

Dave: Early '90s.

Michael: What were you thinking? What was your plan in your mind?

Dave: Alright, here comes the plan. I knew right away what I was going to do with them. First I got them home, and got them in MY barn ...

Michael: How many were there?

Dave: There were forty or fifty of them. And three pinball machines. And I've got them undercover, you know, so I'd be out of trouble. Now the internet was just getting started up now, '93, '94, somewhere in there. And there were forums on there. And there was an arcade game forum. I knew I was going to try to sell them, but this was actually my first online sale, now that we mention it.

I was thinking, maybe I could fix these things. And the guy says, "Ah, most of them, the power supply is bad. Throw a power supply in there, and they'll run. So I thought, well, let me see what's involved there. So I started looking for a forum to learn about that. Well, I found one, and it was really good, and there were a lot of people in it. And I thought, wait a minute. Why fix 'em? I bet these guys would BUY 'em. So I put up my own auction. I said, "Hey, guys. Here's what I got.

Here's the list. I'm going to have an auction for these for the next ten days. You guys can bid. So we'll start at \$500, and whoever offers me the most money, and agrees to come get them within a month and get them out of here, they're yours." It got up to a thousand dollars. The guy was in New Mexico, he was a college student, fixing things on the side as a hobby deal. He rented the biggest U-Haul you could rent, came on down and loaded them up. And he said, "You know, I want to introduce myself. I wanted to have a southern experience." "Ah, you got it bud!" So he took them out for a day, doing junk, took them to the barbeque pits, all that kind of stuff.

Michael: So you were online in the early days. What were you on? Compuserve? AOL? Or what?

Dave: It was a little local network that was tapped in on the bulletin boards and stuff like that. Ya, I was watching. My sister had a big consulting business in Seattle, and I was out there from '90 to '94. And she forced me in 1990 to go on computers. She was already running her whole business digitally on two little old Amstrad computers she'd gotten from like Fed Ex ... Oh, "send us \$200, we'll send you an Amstrad computer." Ya, tiny, tiny, still typing in DOS commands, and stuff like that. So, ya, I been on it since like 1990.

Michael: That's great. Alright, let's do Dave's Ten Golden Rules for getting into the buying and selling of scrap.

Dave: Well, there's really only two. The first one's, "You got to go look." If I hadn't gone to look at that car, that that guy called me, with the video machines, it never would have happened.

Now remember the T-bird story, the '64 T-bird with engine rebuilt, transmission rebuilt, everybody who calls you with junk cars says, "Man, that car was great! You got to give me more money than that." And you get there, it'll be up under the tree with mushrooms growing out of the roof. And I'd say, "Ya, that's what I do with all MY good running cars!" but hey ... You got to go look to see what it is.

Michael: I've got to tell you. I've got a guy in my neighborhood. He's probably ten houses up. And I was with my son, and we were just cruising around on bikes. And we saw this guy, this old guy, and I'm telling you, he's got a Corvette sitting under a car cover, that he was going to do something with, with his son. And it's just STILL sitting there. What would you suggest I do, if I wanted to see if I could buy that thing off of him? Do you think it would work today?

Dave: It would be the same thing. You would go talk to him, and he would tell you how that thing is so absolutely priceless, he will never part with it in his life. But just stay friendly with him. Don't even mention the car again. Just stop by, talk to him about Corvettes, talk about anything but that car, and just mention casually, "Well, you know, if you ever have to get rid of it, give me a call and talk to me, and maybe we can do something."

One day maybe the zoning people will get on him, or maybe the neighbors will turn him in. "That thing's got to go!" He'll look at it and go, "Damn it, I'm never going to do anything with it." And he'll call Michael.

Michael: Oh, my god.

Dave: You really have to finesse it with the individuals. Now a business that's got junk, you can walk right in there, and it'll be yes or no. But the individuals, well as we say, "that scrap has to be aged like a fine wine."

Michael: I like that. Alright, back to Rule Number One. You got to get off your ass and go look.

Dave: No matter what it is, sounds like crap, go look, right?

Michael: Because you never know what else you're going to find in there.

Dave: You never know. That '64 T-bird, that sounded like every other guy that called up who was just lying. But you got to go look, because every now and then you get that '64 T-bird.

Michael: And if he's purging one thing, he's in a purge mood -- he's purging other stuff ...

Dave: Oh, yes. See, we're a big student town. So this is end of semester, you want to talk about a good time to go dumpster diving! Ya, oh ya! End of semester in a college town, they just throw everything away. Most of the kids that can afford to go to college, their parents have actually spoiled them. Just buy them the stereos, and the furniture, and this and that. They literally throw it in the dumpster when they leave the school.

Michael: Have you done some dumpster diving?

Dave: Oh, always. Ever since I was a kid. Man, worst thing in the world was they started to lock them up, so you couldn't get the good stuff. Walmart, man. They used to just throw all the stuff in there. Well, they figured out people were diving in there and getting it.

Michael: Give me two dumpster diving finds you did.

Dave: Oh, lord. Let's think, let's think.

Michael: It can go way back ... Any one memorable thing. Come on, you see yourself in that dumpster, it's dirty, but under that bag of food, what did you find?

Dave: Working stereos. Valuable stereos. TVs, appliances are probably the most valuable thing. I mean, I've been doing scrap since I was sixteen. You know, back in that era, they'd have junk night -- and you'd go out and you'd grab the tube TVs, and all the gas mowers they put out by the curb. The tube TVs, you

pull all the tubes out of it – now this was early sixties – go down to the tube tester, test them, buy the tubes, put them in, hit the on-off switch, fire the TV up and sell it.

Same thing, lawn mowers: stale gas, almost always. Clean the gas out, clean the carb out, fire it up, sell it.

Michael: Hey, you'll hear one of my most recent Craigslist stories is, my wife was going to the store, she called me. She says, "Mike there's some guy who has a lawn mower on the side of the street. I walk up with my son and my mother-in-law. And she's like shaking her head, like "What the hell do you want with this lawn mower?" And I wheel it back to the house, I put it on Craigslist, I never even bothered to get it started. The guy said it worked, and I had one guy that came out, and he says, "Well, does it start?" and I go, "Well, let's give it a try." And I couldn't get the thing started. And then he passed on it. And then finally another guy called and bought it for \$50.

Dave: There you go!

Michael: So stale gas could be a problem.

Dave: Always with lawn mowers. That's the whole reason that people junk them, is because the gas is stale.

Michael: Because I was wondering why the hell this thing wasn't starting.

Dave: That's why. Especially the new gas. I mean, it's good for a month, max. If they're not putting fuel conditioner in there to keep it from going bad, it'll go bad ...

Michael: So people are dumping their lawn mowers, because they think they're broken, but it's got stale gas ... ?

Dave: Right. A lot of them, you put fresh gas in them, and they'll fire right up. And then, worst case scenario, you'll have to pull the carb off and clean it out. Or if you don't know how to do it, have somebody that does do it. It'll probably crank right up and go. First, make sure the crankshaft didn't bend or anything like that. You know, look at the blade.

Michael: This is good not just for old lawn mowers. This could be any gasolated engine.

Dave: Anything that runs on gas, particularly now this new gas is terrible.

Michael: Very interesting. So now, appliances, stereos ...

Dave: KLH stereos, top of the line turn-table, amp, speakers ... in a dumpster.

Michael: Do you know how much that stuff is worth now, these old vintage stereos?

Dave: Oh, my god, I know! I picked a KLH amp off the top of a trash can when coming through town about a year ago. It didn't even work, and it went for \$250 on ebay.

Michael: What if someone doesn't have a big piece of land, and space is a real issue. That's one of my problems.

Dave: Okay, do you have a place you could put a trailer or two? You could probably rent a place to put a trailer or two. I mean, even at the mini-storage yard, it's pretty cheap if you're just going to keep something outside.

Michael: So what do you mean a trailer? What kind of trailer?

Dave: Ya, I'm getting to that. Most of the zoning laws that will give you trouble for scrap metal, you're exempt from the zoning regulations, as long as that scrap is up on a trailer. So if you had your little operation, you know, well-organized with a bunch of barrels on a trailer, there's nothing the zoning people can say. It's also great that you're portable. Well, we'll get to Rule Number Two, "Don't move it twice." But if you get something that's a lot of little pieces, you can just pull the trailer out there and sort it right on the spot ... aluminum, iron, aluminum, couple pieces of steel in here, throw it right in the barrels, and then when you're ready, you just head on down to the scrap yard with the trailer.

Michael: How big of a trailer?

Dave: As big as you can find a place to park it!

Michael: Is it a trailer that you can walk into?

Dave: No, no, a little flatbed trailer. I don't know about there, but around here, everybody used to sell them. There are single or double axle flat-bed trailer, about sixteen foot long, eight or nine foot wide. Mostly used to haul cars on. Used to be able to buy them for five to eight hundred bucks. They're up to about nine now. Or here now, there's a lot of just homemade trailers, which would be great for this, as long as it'll limp around town, great! You know, you can pick it up for a hundred bucks. I don't know if it's the same there.

Michael: So it only has two wheels, like maybe ...

Dave: Ya, single axle will do fine. The trailer doesn't need to get too big. You'll get a feel for it when you start piling the weight on it -- if you're bending the springs over backwards, and the tires are bowed out ... "Well, that's a little too much."

Michael: Good advice. Rule Number Two ... what is it?

Dave: Don't move it twice!

Dave: What does that mean? Now, that seems obvious, "I'm not going to move it twice!" Oh, ya, watch what you do. Alright, we just talked about the trailer? Go out there,

put it right in the barrels. The normal way is, go get the stuff, bring it home, throw it on the ground, sort it into the barrels when you get around to it. "Whoops! Piles getting pretty big. Damn, now I have to go there for a whole day and sort that stuff into the barrels." Had you taken the barrels out there to begin with, and thrown them in there, you'd be ready to go. That's just one illustration. But if you watch your operation, you'll catch yourself, time and time again, moving it twice.

Michael: Alright, how do you sort the scrap?

Dave: What I'm going to recommend now, if you're doing small scale, I'm going to go for something that I don't have to cut it, process, or any of that, in the barrels. Fifty-five gallon drums. Most junkyards will sell them to you for about two bucks a shot. If you're near a port anywhere, there's always extra barrels, drums, stuff like that. You want the steel 55-gallon drum, no top on it. Usually you can pick them up for two or three dollars at the wholesalers near the port, scrap yards, stuff like that. There's always some business in town that's going through a lot of barrels and the junk yards will have them, and usually save them up, because people buy them. Just make sure you ask what was in them, and decide if it's something you want to swill out of the barrel. I got twenty barrels that were full of concentrated hot pepper once. You couldn't go near them, once you got the lid off!!

Michael: Oh, that's hilarious!

Dave: That's when you outsource!

Michael: Do you have to keep your barrels dry? I mean, you say no tops on them.

Dave: Ya, for that fact, punch holes in the bottom so the rain drains through.

Michael: Oh, that's a good idea. Because the rain isn't going to hurt the value of the scrap.

Dave: No, huh-uh.

Michael: Who cares if the steel rusts, right?

Dave: Right! Not an issue. The only thing is, if you have something that has value as what it is, it may need to stay out of the rain. But if it's something that's a chunk of cast iron as a valuable old antique, it's probably already rusted.

Michael: We didn't finish about, get the trailer. Where could I put the trailer? Or, let's say you didn't have the land, but you had a trailer, where would you go to put the trailer?

Dave: I'd hit up everybody I knew to see if they had a spot. You'd be surprised how many people -- a little place out in the country, something like that. When I got in trouble here with all the politicians, and they changed my zoning, I had a friend that had a 600-acre farm, and I asked her, "Peggy, can I move this out there?" I

said, "It's free range on parts. Take all you want. Anything you need ..." She says, "Ya, you betcha!" because she'd do a lot of work on her own vehicles and her boyfriend was a mechanic, so that was hog-heaven for them. And that worked really well. It was about a year or two before anybody figured out what was going on there, because it was so far out in the wilderness.

Michael: You've got some tips ... referrals and other tricks to get scrap. What's some good ways to find it?

Dave: Most of your competition in this are felons, who can't find employment otherwise. Hey, it's cool – they're working ... that's good. Most of them have attitude big time. So when they go in to get scrap from somebody, they'll get the scrap, and they'll steal anything else if it's not bolted down in there. I mean, this is just a regular occurrence. That's why people are afraid of and hate scrap haulers, and why you get so much heat from politicians, a lot of times. These guys ...

Michael: So they'll go in and steal other property, other than the scrap?

Dave: Ya, ya. There's this one guy. Farmer gave him this mound of old farm equipment to cut up, right? And the farmer says, "Now I'm going to bring my bandy disc out there, I'm just going to cut a fire-line around this pile, so you don't light the field on fire." So he did that. Dropped the disc, and took off.

Michael: What is a disc?

Dave: It's a farm tool, that's a bunch of discs that you can drag over the ground, kind of a plow, that has rotating discs for the plow part. And he cut a fireline around the scrap pile for this guy. This guy, after he loaded the pile, he actually cut that man's brand new disc – this is a \$4000 tool – he cut that thing up, and loaded it up and took off out of there.

Michael: Oh my god!

Dave: And this happens every day, these guys do this. So if you show up, you don't steal things. You're nice to them, and you always carry a notebook, and say, "What are you looking for? What do you need? What can I do for you if I find it?" And by god, if you get one, give 'em a call. And they'll tell their buddies, you know, "Dave – he didn't steal a damn thing when he was out here, and look what he got me! Man, I've been looking for this thing for a year." He'll tell all his 250 buddies that, and your phone will start ringing.

Michael: The important thing is, the scrap business, is ongoing – it's not just one time. They'll have you back, over and over again.

Dave: Most people it is. If you steal their stuff, or you're nasty to them, it is a one-time deal! (laughing) But see you can really stand out. Why, it's like customer service today. All these big stores treat their customers like dirt. What, are you nuts? Ya, it's the same deal. They'll get you back, and they'll tell their buddies. Well, you

know how you go to a funeral, there's going to be 250 people there. Everybody knows 200-and-some people. And they're going to tell them, "Man, Dave was cool! He came in here. He did this, and then he called me later. Great!" You're good, you're gold. Word of mouth, you can't beat that for a referral. I got huge on that.

Michael: Let's talk about the Yellow Page ad.

Dave: This was before I knew anything about marketing, hadn't a clue ... and I nailed the USP on this one. Okay, everybody in there with their big Yellow Page ad, selling this, that ...

All I put in there ... a little ad: "Cash for Junk, I come to you. Junk cars and scrap metal." My name, phone number, because a lot of people know me locally. Then I'd record a message -- I was never around anyway -- on the answering machine: "Hey, I'm Dave. Here's what I'm doing this week: you got a junk car, okay, a little one like a Toyota, that's ten bucks. Little bigger, mid-size, twenty to thirty. Some big old tank you got out there, I'll give you thirty or forty bucks for it." I said, "Piles of scrap, I'm going to have to come out and look at them. We'll talk about it then. So go ahead and leave me a phone number, and I'll get back to you just as quick as I get back in here."

And I think the things that really get it there would be, "I come to you" and the phone message. Because if somebody's got some junk and they want to get rid of it, and they've heard all the stories about their buddies getting ripped off, I think that really helped them have enough comfort to call you, and then when you're friendly and upbeat and outgoing on the message, "Ya, okay. And usually there's a pretty good response when I'd call them back," other than those terminally-miserable people, you know -- the one in a hundred.

Michael: Ya, that's good. It's non-threatening, you sound like a super nice guy, and you told them exactly what's going to happen. Well, we talked a lot about the scrap business, but we don't want to get into a full-time scrap business today.

Dave: No, you do NOT. No, no, no.

Michael: Alright, so for all the people listening and thinking that you may be encouraging them to get into the scrap business, that's not really what this is about. It's about finding that value in what people view as junk. But let's talk about why we don't want to be in the scrap business. So what are the problems and some of the risks? Operating problems, for example.

Dave: Okay, if you're going to go on that level, you need heavy hauling and lifting equipment. If you're going to be serious about it, you've got to move about a million pounds a year. That means a lot of cars. And that means serious equipment. Now being a mechanic, I cobbled stuff together or welded it together myself. But for the average person, that's really almost not do-able.

The second one is the jealousy factor we talked about, where people will bust you out, just to be mean. And my example from me, even when I was small-time, I got inspected by every environmental agency – local, state, and federal. I got audited by the IRS. And they all came out and they'd laugh when they got out there.

And after they got done, they'd tell me "The people who are calling us and writing letter to us, are telling me that you've got all these mounds of toxic waste leaking out in the road, and that you're driving Cadillacs, and you got this big pile of money." And they get out there and see how I was living. The IRS guy was great, actually. He laughed. He got out of the car, laughing. And I said, "Hey this might be an alright audit!" That'd be one of the few. And he was cool, once he realized they'd been hoodwinked. And all he did was look through all the books, you know. I always kept that up real well.

But constantly, you waste days of time dealing with bureaucrats. The other thing is – well, I don't know ... we just got some kind of a prize for being really corrupt in Florida here, because we got a county commissioner here that's going to set his nephew up in the junk business, so he did everything to every junk hauler, every junk yard he could think of to put them out of business, so he could set his nephew up. And there was a good ol' boy network, and there still is. But he had a lot of success on that.

Michael: What did he do to you guys to inhibit you?

Dave: Change your zoning ... and get the enviro people on you.

Michael: So when they changed your zoning, how did you react to that? What did you do?

Dave: Nothing you can do.

Michael: Did that put you out of business?

Dave: No, that's when I moved out to my friend's six hundred acres.

Michael: Oh, got you. What else did they try to do?

Dave: That's about the worst of it. Once again, they'd put the zoning people on you constantly, and ... this was not nice. The zoning guy would come out and say, "You're going to clean this up or I'll stop back in two weeks, and I'm going to put you in jail for a long time." And they weren't kidding. I mean, it was a whole, good ol' boy network, with the judges, the officials, the politicians.

Now, I've got to laugh, because the guy that did that here, is doing time in Federal prison for bribery. He was one of the kingpins of "crooked." He really was. But, hey, he's making license plates now. (laughs) A pleasant fella ...

Michael: You've got availability problems ...

Dave: Right now, they're paying more for scrap. It used to be, the people that made the fortunes in scrap, made them in war time. That was when they were paying just silly money for scrap. Right now, we've got war time kind of prices for scrap. I mean, this is more money than scrap's ever gone for.

And what's happening to it, it's all being exported to China, unfortunately, but that's another issue. And so what you have, is everybody and their brother know this, and they're out grabbing everything they can. So you can't buy junk cars for ten, twenty, thirty, forty bucks any more. The bottom of the ceiling on that's two hundred dollars. And that's for a tiny little car. And you better have a junk yard and be selling a lot of parts at a high dollar to make that work. So there goes cars ... other than the ones you could maybe drag one off, that somebody's stripped out or something like that. But those high scrap prices ... You know if you were to go into a full-time business doing this, you couldn't get the volume right now.

Michael: Plus, the "Cash for Junkers" program ... didn't that take out ...

Dave: Oh-hhh!! And how about the charities ... "Oh, give us your junk car, we'll give you write-off!" Oh, ho!!

Michael: Aren't they making a fortune?

Dave: They're making a killing on that, yes!

Michael: So they're really kind of in the junk business, those guys.

Dave: Ya, they are. What they do, is they'll have somebody that's a mechanic, and they get a bunch of them running, and they'll do the '64 T-bird routine ... they'll turn them into a few thousand dollars, and get them running. And then the rest of them go to the junk yard for big money. Ya. They don't have to pay a dime for them.

Michael: So, scrap prices today, are high. People are paying big money for scrap?

Dave: Ya, way up there.

Michael: And much of this scrap is going over to China?

Dave: Oh, ya, almost all of it.

Michael: Really?

Dave: Ya, we're in bad shape industrially and financially. We destroyed our economy basically. Well, see, that's when I had to quit, back in '98, was the beginning of this nonsense. That year, they let the Asian countries dump all their steel in our market for pennies on the dollar. It finished wiping out the steel industry. My broker, the guy that had the shredder and everything up in Jacksonville, called

me up and said, "Dave," he said, "it's over. I can't even buy it from you any more, because the mill won't buy it from me." He said, "We're done."

Michael: So the Asian countries dumped all their scrap steel?

Dave: No, finished steel.

Michael: Oh, so all their finished steel.

Dave: Yup.

Michael: So, if I'm buying steel, there's a good chance it's all coming from Asia?

Dave: Oh, ya, a great majority of it now is. And it has been ever since then, because of that.

Michael: Did the prices go down?

Dave: Ya, it dragged our prices down here. But they let them come in and get a huge market advantage ... it was on a loss-leader deal. They dumped all that steel, and they let them do it long enough, it wiped out the steel industry. And then they had it nailed.

Michael: So, we have no steel industry any more?

Dave: We do. Hey, we're American,s man.

Michael: Are we coming back?

Dave: Well, we came up with the mini-mill. Little tiny steel mill that just does one specific thing. Rebar ... There's one here, a Closetmaid factory. There's one, they do entire runs just with the steel shelves for Closetmaid, coated with rubber.

Michael: The mini-mill is kind of helping American with their steel production.

Dave: That's all that's left of our steel industry, but man they're kicking it ... they can do it. It actually saved that particular yard. The one with the big shredder and everything ... They were able to go quite a few more years. They shut it down eventually, because that mill didn't have enough capacity to match what they were doing. But ya, the mini-mills have saved us.

Michael: So all this scrap is going overseas. Everyone who's still in the business, much of it's going overseas.

Dave: Right, right, huge majority of it. The media and the politicians will make hay on you, if they can. You know, like if you pushed that with the zoning people, and they put you in jail, they'll put a big old story up in the paper about that, and it'd

been wrong, and you seemed evil, and this, that and the other thing. The media here is a little biased. They're in on the good ol' boy network.

Michael: Tell me one of the biggest reasons why we shouldn't have a scrap business as a full-time living.

Dave: Mostly, I don't think you're going to be able to get enough material. The price of running a big truck now is prohibitive. I don't know how these independent truckers – well, they're NOT making it. They're just not. If I put half of what I had going on in my pocket, I was good. You couldn't even come close to that today, with the transportation costs, costs of fuel, trucks, tires, stuff like that.

Michael: What would you do today if you wanted to get back into it?

Dave: Ha-ha! Here we go!! I got this one thing going really well, right before the boom came down in '98. It's called the "Barrel Route." I went and got a bunch of 55-gallon drums, put a sticker on each one, like the ad in the yellow pages we were talking about, and then I started going to all the automotive shops, to anybody that made any kind of scrap, and say, "Hey! How 'bout I throw these barrels out here? ... you throw all your scrap in it. Right about that time, all the garbage haulers were starting to get on them about throwing greasy parts in the dumpsters. I said, "I'll solve your environmental problems. You just throw them in here, call me when they're full, and I'll come and get them."

Michael: How'd you get this idea? Had you seen someone do this?

Dave: Nope. This occurred to me that this would work. Oh, boy, like gang-busters! Ya, the Sears Auto Center, it would fill ten drums with brake drums and aluminum little pieces, stuff like that, every three days.

Michael: When did you start doing this?

Dave: This was mid- to late-90s. And there's still nobody doing it. I was the only one then, and I haven' seen it since. There's a huge opportunity for a small business there.

Michael: How many barrels did you get?

Dave: Probably had about 500 of them out there at that point. But I didn't do that all at once. You know, I went and got a hundred barrels, \$2 a shot. Couple hundred dollars. Got them out there.

Michael: Were people really receptive?

Dave: Ya, oh man!

Michael: Because if they dump crap in the dumpster, they're going to get fined.

Dave: Ya, the dumpster guys will cut them off, they will. This reminds me ... this is another thing. You need to knock holes in the bottom of the barrels, and then you keep a tarp over them too, you don't want the water washing through them and the grease and oil coming off of them and onto the ground. Now, in this case, I HAD to move them twice. I had so many going on, I would go out with that dump truck with the articulated crane on it, haul it back full of barrels, a whole trailer full of barrels. Drop empty, load full, drop empty, load full. I'm about twenty miles out of Gainesville, so I run through Gainesville and hit them all.

Now let me get this in here before I forget. When they call you, you got to roll, particularly something like Sears, that's just filling them up ... Man, if you're not there right away, they'll throw you out of there.

In the end, I sold the scrap business to some guys. They got slack about showing up, and lost all those good accounts with the barrels.

Michael: Oh, really?

Dave: "Oh, we'll get there in a couple days." Ya, you will, and take the barrels with you when you come!

Mm So you'd bring all your barrels back to your place, and you'd sort it?

Dave: Right, which is moving it twice, but at that time, I had no choice. I always worked solo, you know, like cottage-industry stuff ... Like the guy that would clean out the trunks, to sell parts for me. You can't do employees ... it's too expensive.

Michael: So were you making some good change doing that?

Dave: Ya, oh, man! (laughs) Ya, ya, ya ya. Now that's one other thing too. You always want to kind of keep half an eye out ... you need to have a little space to pull this off, really. A lot of what you're going to get is stuff that can't go as scrap, like shock absorbers off cars.

It's good to have a little car there to throw them all it, or have a deal with somebody that has a junk yard. "Hey, can I throw these shocks in your car?" The crusher doesn't care, they can go through the shredder and the crusher, the shocks are fine that way. Ya, you can work out some kind of trade there. But ya, I'd bring them home, sort them, and then when I had basically a dump truck full, I'd dump them in the dump truck and go.

Michael: That's called your barrel route ... ?

Dave: Right, right. And you could do that small scale with a handtruck, a load trailer, so you're not dragging the barrels up too-steep a ramp, or even a pick-up truck, anything like that. You know, Harbor Freight has these little hydraulic cranes, and stuff. You can get this cool little clamp that'll clamp on the side of a barrel, and you can pick it right up. And then, when you let the weight off of it, it lets go. It's

not inexpensive, but it will save you a lot of work. There's a lot of ways you can move barrels easily, without having to have a lot of expensive equipment. You know, I wouldn't want to go any bigger than a pick-up truck any more. If you get a three-quarter ton, or a one-ton, that'd be cool.

Michael: Alright. Commercial insurance issue.

Dave: It's just hugely expensive. Back in the eighties and nineties, it was \$2500 to \$3000 a year. And I ran it, just because I was very visible. This is where everybody has to make their own moral decision, given the risk-to-reward deal. Because at a small level like that, you can't really afford it. Mostly everybody will let you go by if it's just a hobby. But if you get in a wreck, and you got a bunch of scrap on there, it's going to give your insurance company a way to wiggle out. But you can't afford the commercial stuff either, so it's Catch 22.

Michael: Is Sears going to want commercial insurance for your barrel?

Dave: No. None of the shops ever asked. They didn't care, because your equipment is never coming anywhere near their stuff. It's out in the parking lot ... the liability for that is on the shopping center, or wherever it is. And most of repair shops don't even think of it really. They're just glad to get that stuff out of there.

Michael: Alright. What's this about 70% of Florida drivers are uninsured, anyway?

Dave: Ya, they're supposed to jerk their license and tags, and they don't. So you have wreck, after wreck, after wreck ... "I don't have any insurance."

Michael: How about deals you can do on commission? Are there opportunities that way?

Dave: You're going to see things, there's like "industrial surplus," valuable things that people don't know where to sell them, or maybe what the value is, or anything like that. You can make a deal with them, say, "Hey, I think I might know where I can sell this. Would you give me an option on that for like six months, and you'll give me ten percent if I can sell it?" Most people will go, "Ya, man, it's been laying out in the rain all this time." Key point there is, you have to lock up the option. Ya, ten percent is about average, and you have to have a written contract, because if anybody's ever going to do anybody in, they're going to get the broker.

Now we should also get into Robert Ringer's book here, which has an excellent thing in it. It's called Winning Through Intimidation -- which the title of the book doesn't even match what's going on -- but I guess it helped it sell. The whole book is about deal-making. And anybody's that going to do this kind of stuff as a broker ought to read that. Because he mentions three particular types of people, and how your deal's going to go down.

There's the "straight-up" guy, that's going to squeeze every penny out of you, but he's honest as the day is long. He's going to do what he says he does, he'll make

his money, and he'll get his half. And I'm going to make a sub-set of that category, that you have: just your generous people ... you know, they just give you stuff.

Okay, next person, comes in, seems normal, seems like type number one, and looks like he's real straight-up, going to do the deal, "Ya, okay, good." Then he will do something that will make you think you are mentally ill, in the middle of the deal. But of course this will happen at a point in time where it is to their advantage.

And then type number three, the guy that comes in, tells you "Man, I'm the most honest guy. I'm a great guy. I'm wonderful." This guy will screw you. Watch him, and watch his counterpart. The guy who comes, "Man, everybody screws me, man, everybody takes advantage of me ..." Oh, the whiners, they'll get you too, EVERY time.

And this is an abstract. If you got dogs, and you got people coming around -- if your dogs don't like them, watch 'em!

Michael: This has been a hell of an interview.

Dave: Ya, rock and roll!

Michael: What do you want people to learn from your stories about being in the scrap business? What lessons should they take with them, after they turn this recording off?

Dave: Okay. I want 'em to have a little bit of a learning curve done. I want them to stay small. And I don't want them to put all their eggs in one basket, in the junk business. This needs to be an adjunct to something else you're doing, because you're real vulnerable here. You can get blown out of the water and told to stop, for one hundred and one reasons that we went into. But that's right today anyway. You need to have three, four, five things going on at all times. But this is a cool one, you know. A little side deal, maybe run that barrel route. Keep your eyes open. Learn what's valuable. Pick up some scrap piles if you're in a place where you see some. Just another way to make a little bit more money, as an adjunct to everything else you're doing.

Michael: Alright, now, if someone wants to talk to you further, and maybe get some specifics and details, I know you do some consulting for people when they get into the scrap business. What would be the best way for them to contact you?

Dave: Right now, it's going to be, email me at: [dave@davebross.com](mailto:dave@davebross.com)

Michael: Spell it out ...

Dave: D-A-V-E at D-A-V-E-B-R-O-S-S- dot C-O-M.

Michael: So, someone contacts you by email, what can they expect as far as follow-up and what kind of services can you provide?

Dave: Oh, I can keep them out of trouble. I can cut their learning curve down to almost nothing.

*Hey, it's Michael Senoff here, and I hope you're enjoying this interview with Dave, my scrap metal expert. Listen, if you are interested in this stuff, go check out a special offer at the link below. GO to [https://www.hardtfindseminars.com/Scrap\\_Magic.htm](https://www.hardtfindseminars.com/Scrap_Magic.htm)*