THE FREE STARTER GUIDE

Get Paid to Wait.

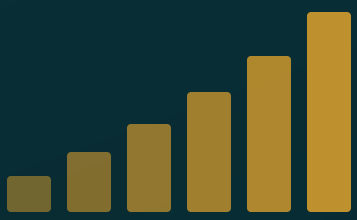
How I've collected rent, dividends and option premium for decades, and what it taught me.

Rent | Option premium | Dividends

Nikos

Decades of experience as a real estate, options and dividend investor. Ex-floor trader and market maker.

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WELCOME

Most people try to predict the market. I never did.

I started on a trading floor in 1986 as an options market maker. We didn't guess where prices were going. We got paid on every trade, up day or down day.

That lesson shaped everything I did with my own money. Over the years I've owned rental properties, built a self-storage facility from the ground up and invested in mobile home parks. For decades I've sold options and collected dividends. None of it depended on calling the next move in the market.

It depended on one idea: **own things that pay you while you wait.**

This guide is the starting point I wish someone had handed me at 22. There's no hype in it, no secret formula and no promise of overnight results. It's how the three income streams I trust most work, the numbers I look at, and the mistakes that cost me money.

What's inside

- The difference between **predicting** and **collecting**, and why it changed how I invest
- How a **rental** produces monthly cash flow, and how I tell if a deal works
- How my **dividends** turned savings into a paycheck
- How I **sell options** to get paid while I wait for a price I want
- The four rules I've followed since 1987, and my 90-day learning plan

WHY A DIGITAL PRESENTER?

Privacy is the first layer of asset protection, and I practice what I teach. Nikos is the digital face I present under, so my name, family and address stay out of the public eye. The person, the deals and the experience behind every lesson are real.

There are two ways to make money investing.

1 · PREDICT

You buy something and hope it goes up.

You only get paid if you're right about direction and timing.

2 · COLLECT

You own something that pays you on a schedule.

You get paid whether the market goes up, down or sideways.

On the floor, market makers sat on the other side of the public's orders. Most of the time, the public was buying options, betting on a big move. We were the ones selling them, collecting the premium and letting time do the work.

Later I ran my own money the same way. I stopped asking "Where is the market going?" and started asking "What will this pay me while I wait?" If I were starting over today, I'd begin with dividends, then options, then real estate.

> *Cash flow is the money that shows up whether you're right or not. That's the whole game.*

The three streams at a glance

	RENT	OPTION PREMIUM	DIVIDENDS
Who pays	The tenant	An options buyer	The company or fund
How often	Monthly	Each trade (often monthly)	Quarterly or monthly
Time needed	Medium to high	Medium	Low
Start with	A down payment	Cash for 100 shares	Any amount
Main risk	Vacancy, repairs, bad tenants	Owning a stock that keeps falling	Dividend cuts, a sliding NAV

Rent: the slow, steady machine.

My first rental taught me that the rent isn't my money. What's left after the bills is my money.

Where the rent goes

	MONTHLY AMOUNT
Rent collected	$2,200
Mortgage (principal + interest)	−$1,000
Property taxes	−$250
Insurance	−$160
Property management (10%)	−$220
Repairs reserve (5%)	−$110
Vacancy reserve (5%)	−$110
Cash flow	**$350**

Illustrative example. Numbers differ by market.

The last three lines are the ones beginners skip, because nothing is broken yet and the unit is full. I learned that the hard way in a vacancy-heavy year. Now I budget for repairs and vacancy on every property, even the ones I manage myself.

The four ways a rental has paid me

- **Cash flow:** the money left each month, like the $350 above.
- **Loan paydown:** part of every mortgage payment reduces what I owe. My tenants bought my properties for me.
- **Appreciation:** over long periods, property values have tended to rise. I treat it as a bonus, never as the plan.
- **Leverage:** I controlled the whole property with a fraction of its price, and on some deals with none of my own money.

CHAPTER 2 · STREAM ONE

Why leverage is so powerful.

Say a $300,000 rental is bought with 20% down: $60,000. If the property rises 5% in a year, it's worth $15,000 more. That's 5% on the property, but 25% on the cash put in, before a single dollar of rent or loan paydown.

THE OTHER SIDE OF LEVERAGE

It works in both directions. If the property falls 5%, that's $15,000 gone, or 25% of the cash. That's why cash flow comes first for me: a property that pays every month let me hold through 2008 instead of being forced to sell.

The first question I ask every seller

Before I look at a single number, I ask: "Why are you selling?"

- An honest, specific answer (retiring, relocating, inherited it, tired of tenants) has usually meant a real seller. That's when I negotiate terms, not just price.
- A rehearsed answer has always meant there's more to the story, so I dig deeper.
- An answer that doesn't match the property is a red flag on everything else. I walk away.

In 1997 a seller going through a divorce, with a new job across the country, gave me a very substantial discount to close in 30 days. I didn't win that deal with money. Every seller has a price and a reason. The reason is cheaper. I still verify everything: inspection, leases, rent history and permits.

Mistakes I've made or watched others make

- × Buying for appreciation when the property didn't cash flow
- × Using the seller's rent and expense numbers without checking them
- × Leaving no cash reserve for repairs and empty months
- × Skipping the inspection to "win" the deal
- × Falling in love with a property instead of the numbers

> *Real estate can be boring during the first years. The longer you hold it, the better it gets, just like a good wine. I also learned how profitable buying at a discount can be.*

CHAPTER 3 · STREAM TWO

Dividends: a paycheck from what I own.

I bought my first dividend stocks with my own savings while I was still on the floor. On Black Monday in 1987, prices collapsed. The next quarter, my little dividend checks still showed up.

That's when I understood the difference between a price and an income.

How the math works

A dividend yield is the yearly payout divided by the price. A $50 share paying $2.00 a year yields 4%.

INVESTED	YIELD	YEARLY INCOME	PER QUARTER
$10,000	4%	$400	$100
$250,000	4%	$10,000	$2,500

Today most of my dividend income comes from monthly-paying funds, some currently paying around 10% a year. At 10%, $10,000 pays about $83 a month.

The Rule of 72

Divide 72 by the yearly return to see roughly how many years it takes to double. At 3–4%, it takes 18–24 years. At 8%, 9 years. At 10%, about 7 years. Same dollar, very different future.

Early on, I reinvested every dividend to buy more shares (a DRIP). Now I live on the cash.

What I look at before I buy

- A history of paying through good markets and bad
- A payout the company or fund can actually afford
- **The NAV test:** has the fund's net asset value held steady or grown while it paid me? If yes, a high yield is fine with me. If the NAV keeps sliding, part of that yield may just be my own money coming back.

A DIVIDEND SHOULD ACT LIKE A GOOD TENANT

It pays on time and doesn't damage the property. I once owned a fund that paid every month while its NAV slid. That's a tenant who pays the rent while tearing out the copper pipes.

CHAPTER 4 · STREAM THREE

Option premium: I'm the insurance company.

When I sell an option, someone pays me up front for a promise. I keep that payment, the premium, no matter what happens next.

A homeowner pays an insurance premium every year, most years nothing happens, and the insurer keeps it. Selling options works the same way, and every day that passes works for the seller.

I did this for a living on the floor, and I've done it in my own accounts since 2004. I use two strategies, both only on companies I'd be happy to own.

1. The cash-secured put: getting paid to wait for my price

Say a company I like trades at $50 and I'd happily buy it at $45. Instead of placing an order and waiting for free, I sell a put with a $45 strike that expires in about a month. Someone pays me $1.00 per share, $100 for one contract (one contract covers 100 shares). I set aside $4,500 in cash in case I have to buy.

IF THE STOCK AT EXPIRATION IS…	WHAT HAPPENS
Above $45	The put expires. I keep the $100 and can sell another one. That's about 2.2% on $4,500 in one month.
Below $45	I buy 100 shares at $45, the price I already wanted. With the $100 premium, my real cost is $44 a share.

Either way, I was paid while I waited. The risk: if the stock keeps falling, I own it below what I paid, just as if I'd bought it outright, only $1 a share better off. Getting assigned isn't losing for me. It's the plan working: I set the price.

The covered call: renting out my shares.

Once I own 100 shares, I can sell a call against them. I agree to sell my shares at a set price if the stock rises above it, and I'm paid up front for that promise. Say I own 100 shares at $50, sell a $55 call that expires in about a month, and collect $0.80 per share, or $80.

IF THE STOCK AT EXPIRATION IS…	WHAT HAPPENS
Below $55	The call expires. I keep my shares and the $80, and can do it again next month.
Above $55	My shares are sold at $55. I made $5 a share on the stock plus the $80 premium, or $580 total. I give up any gain above $55.

Selling puts until I'm assigned, then selling calls on the shares, is a cycle I've repeated for years. Some call it "the wheel."

My rules for selling options

- Only on companies I'd be glad to own at the strike price. A big premium alone never tempted me into a trade.
- Always cash-secured or covered. On Black Monday I had sold options I couldn't fully cover, and I took a real loss. I've never done it since.
- When I tried something new, I started with one contract and learned how it behaved before sizing up.
- A big premium and higher volatility mean higher risk. The market pays more because the stock is more likely to move against me.

OPTIONS CARRY REAL RISK

They aren't right for everyone. A broker requires options approval and provides a document called Characteristics and Risks of Standardized Options. It's worth reading before any trade.

Four rules I've followed since 1987.

I wasn't made in the winning stretches. I was made in the drawdowns: 1987, 2008 and 2020, when things went against me and I stuck to my rules anyway.

1 **I know my maximum loss before I buy.**

Every position comes with an answer to "What's the worst that can happen, and can I live with it?" When I couldn't answer it, I didn't make the trade.

2 **I keep every position small enough to be wrong.**

No single stock, property or trade has ever been big enough to sink me. That's what let me stay in the game long enough to be right.

3 **I don't let myself become a forced seller.**

I keep cash in reserve and use only the leverage I can survive. Money I'll need soon never goes into the market.

4 **I let time do the heavy lifting.**

I buy quality at a discount and hold it for decades. Some of my buildings, watches and wines have been with me longer than most finance influencers have been alive.

> *Fast money is the most expensive money. Patient money is the money that stays.*

A word on fear

The fear never fully went away for me. I just got used to it. I started small enough that a loss wouldn't hurt, and the confidence came after I started, not before.

My 90-day learning plan.

People ask me where I'd begin if I had to do it all again. This is what I would do:

WHEN	WHAT I'D LEARN
Weeks 1–2	Set aside several months of expenses in cash before anything else. List my monthly expenses, because that's the number cash flow would one day need to cover. Open a brokerage account that offers paper trading.
Month 1 · Dividends	List 10 companies and funds with a long record of paying dividends. Follow them on paper for a month: what they pay, how often, and whether each fund's NAV holds.
Month 2 · Options	Practice selling cash-secured puts in a paper account, on names from that list. Several brokers offer them. Write down every trade: premium, strike, outcome and what I learned.
Month 3 · Real estate	Pick one neighborhood and run 10 rental listings through the "Where the rent goes" table. Talk to a local lender. Call one seller and ask, "Why are you selling?"

MY GOAL AT DAY 90

Not to be invested in all three. To know which one fits my money, my time and my temperament, and to choose that one to pursue seriously. The other two strategies can be pursued later on.

Cash flow is only half the job.

Once my income streams grew, the next question was how to keep them. I've watched good investors lose in one afternoon what took them twenty years to build. Asset protection is an advanced topic, and I'll cover it in depth separately. These are the basic layers I've used over my career:

- **Insurance first:** proper landlord coverage, plus an umbrella policy.
- **Separate entities:** I've held properties in LLCs and trusts, a separate entity for each major property, so one problem can't sink everything.
- **Privacy:** the less of my name in public records, the smaller the target.
- **Run it like a business:** written leases, separate bank accounts, clean records.

I set all of it up with a qualified attorney and CPA, and the rules vary by state.

Glossary

Cash flow
Money left over after all expenses are paid.

Dividend yield
Yearly dividend ÷ price. $2 on a $50 stock = 4%.

DRIP
Automatic reinvestment of dividends into more shares.

Option
A contract giving the buyer the right to buy or sell 100 shares at a set price by a set date.

Premium
The price paid for an option. The seller collects it.

Strike price
The price at which an option lets shares be bought or sold.

NAV
Net asset value: what a fund's holdings are worth per share.

Expiration
The date an option contract ends.

Assignment
When the seller of an option is required to buy (put) or sell (call) the shares.

Cash-secured put
Selling a put while holding enough cash to buy the shares.

Covered call
Selling a call on 100 shares already owned.

Leverage
Using borrowed money to control a larger asset.

Vacancy
Time a rental sits empty and earns nothing.

KEEP LEARNING

This is just the start.

I share lessons from decades of real deals: what worked, what didn't, and the numbers behind it. Follow along wherever you like to learn.

Website
Lessons, guides and what's coming next
nikoscashflow.com

YouTube
Full lessons, step by step
@NikosCashFlow

Instagram & Threads
One lesson per post
@nikoscashflow

TikTok
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Questions? Email **nikoscashflow@proton.me**. I read every message.

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IMPORTANT

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Laws, regulations and tax rules vary by location and change over time. Do your own research and consult qualified professionals, including a licensed financial advisor, attorney and CPA, before making any financial decision.

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