

Farnoosh Torabi: Les Gold, welcome to So Money, my friend. How are you?

Les Gold: Real good. Thank you for having me on again.

FT: My absolute pleasure. Congratulations on season 9 is it now of Hardcore Pawn?

LG: It's really been unbelievable that we've been so successful as a reality show Hardcore Pawn season 9. I can't wait for them to pick us up and have season 10.

FT: What so you think it is, what is your magic, what is your secret sauce? Because, there are so many shows that get cancelled before they even get to like the fifth episode.

LG: Oh, you know, for us it's the dynamics of the Gold family. You know, you have me as the father, Ashley and Seth trying to learn the business. You have the dynamics of my 50 employees and the thousand people that walk to the door each and every day. So, each one of those thousand people plus my employees, plus my family, the stories are sometimes unbelievable.

FT: I interviewed you about a year ago. I flew to Detroit, came to your store, which by the way, folks, you have to visit. Okay, I know Detroit right now is going through some reparation but if you do make it there, it's an amazing, amazing city and your store is a must stop. And, when I was there we talked a lot about how, you know obviously your store attracts a lot of people because of the show but in your business, you get to see it all. You really get to see where the economy is going. Where are we right now?

LG: We're street level economists and what we see right now is the loan line is getting shorter. The retail area is fairly strong, so what does that tell me? That tells me that people need a lot less money to borrow that's why they're not coming to the pawnshop for that. But, where they are coming to the pawnshop for is to get great deals because as Seth says "Retail is for suckers and there's no better deals than at your local pawnshop."

FT: Exactly and, by the way, you can get anything at this pawnshop. It's not just baseball cards and watches. I mean you have, you showed me around there, I mean it's as big as a Costco, folks. There are things there that you don't even see on the floor. You have, ah, plasma TVs, you have diamond rings. You have furs. You have collectible items dating back to the 20th century. I mean it really and you told me yourself, you kind of don't refuse anything because you kind of think that you can sell pretty much anything.

LG: Well, what I've always said was "If somebody bought it once, somebody's willing to buy it again." So, whatever walks through the front door, I'm a customer for because I know eventually there's a customer that is going to walk through the front door here and buy it from us.

FT: Well, Les, I wanted you on my podcast because you are So Money in so many ways. Let's start with the financial philosophy. What is a money mantra that Les Gold follows to help you make the best decisions when it comes to business and money?

LG: You know, one of the things that I've always believed in is like I said earlier, "There's a customer for anything." You have to believe in yourself, that's what's most important. If you believe in yourself and if you're a salesperson, other people will definitely believe in you.

FT: Uh-huh. Because, when it comes to the sale, it's really about you, the salesperson relaying this sort of sense of pride and know-how and striking a cord with the potential customer.

LG: If you can't strike a chord, then you're not a salesperson. The most important thing with negotiating is get that relationship going. Make sure that you explain the merchandise. That's what's important. You know, especially in jewelry. Diamonds are really a blind item. Most people don't know about those little devils that we're trying to sell for tens of thousands of dollars. And, as a salesperson, you have to bring out that knowledge to make sure they understand exactly what they're buying.

FT: Right and to have a story behind that, that diamond that makes them just feel like they have to have it.

LG: That's that emotional bond you have to create between you and the potential customer.

FT: Well, speaking of story, take us down memory lane a bit, Les. I like to ask my guests about a money memory, perhaps it was during childhood, maybe it was more recent but it was a significant time in your life that taught you an important lesson about money. What was it? Take us there.

LG: You know, when I was 7 years old, back in 1957, I worked at my grandfather's store. I made my first sale, it was a hydraulic jack and when I made that sale I realized how important money was. Even at 7 years old, besides that it hooked me into the pawn business and hooked me into negotiating, making that sale and accepting that ten dollar bill for that item was probably the most important thing that has ever changed my life.

FT: What was the most, what was the biggest lesson there? I mean ten dollars is a lot of money back then for a little kid, but what was the real take away?

LG: I closed this deal. Whether it was \$10, whether it was a dollar, I remember that I used to get a 25-cent allowance. Knowing the value of that was so important to me, getting that quarter from my parents and understanding that. Wow, look at what I did and closed the deal for 10 bucks.

FT: Hmmn, and then your life changed forever.

LG: It changed forever. I didn't know it back at that time but as I look back, that was a life changing event for me.

FT: Let's talk about failure. I know this is a challenging question for guests, not everyone wants to admit failure but I think through failure comes success. If you're conscious of it and you work hard at, you know, making a difference from that failure. What is a financial failure, Les, that you experienced that, you know, you learned a lot and you grew a lot from that experience?

LG: If you read my book, we do talk about failure and when you fail that means it's the end. So, I've never failed. I have made mistakes. We all make mistakes and we learn from mistakes. You know, I make some investments, every investment isn't going to be a homerun. Every investment isn't going to be a success but what that teaches me is "Don't do that particular investment again. That's called a mistake." There aren't any failures in business.

FT: Yeah, well, what's a big mistake that you made for...

LG: Sorry, you know, I made a mistake and I made an investment with a certain few gentlemen that told me that it was going to be a great deal. And, I'll tell you a funny story. The deal went south and my partner in the deal, it was the first day of April which is April Fool's day, and I called him up on the phone and I said, his name was Stan, I said, "Stan, we've made a terrible mistake. This deal that we invested in," which was a sure thing, "Well, this deal that we invested in is now going to fail." He said to me, "Les, are you kidding?" I go, "Yes, April Fool's." Well, 3 days later when we were supposed to get paid, it failed. So, from now on, on April Fool's I only tell stories that I want to happen. But, that was the biggest mistake I ever made was believing in something that actually was, the guy was pulling the wool over my eyes.

FT: And, that's surprising, Les, because I feel like you're the, you're a professional salesperson and, you know, you should be able to see the red flags. You should be able to tell when things are a little too good to be true. What did you miss?

LG: I'll tell you what I missed. I believed in a friendship. I believed that the gentleman that was selling me this deal, I was friends with him for 20 years and I believed in him and he made one comment that really put me over the edge. And, what he said to me was, "Les, I promise you on my children's lives that this is a better deal than your pawnshop." One of the things that's most important to me is family. You don't have to swear on family when you're not telling the truth and I really believed in him. And now, I'm a pessimist, not an optimist. Don't swear, if this guy came back to me and swore on his life, his kids, I still wouldn't believe him. So, due diligence, don't take somebody just by their word.

FT: Wow, and I guess that friendship is over.

LG: Yes, ha, to say the least.

FT: Well, I'm sure he's sorry for what he put you through because, clearly, I think you're winning right now. Let's move on a different direction, the opposite direction. Let's talk about success. I mean clearly you had so much success with your business over the many decades and more recently with the show. It's really catapulted your store and your business to new sites and new heights. What would be one success that maybe we don't know about, that we don't know so much about but you're really proud of it, you worked hard to achieve it and it's a story that's really exciting for you to share?

LG: When I had my first store, it was in a 1500 square foot facility and I really was down and out on my luck and I went to work every day and I worked 6 days a week and it was only me and the showroom floor and 2 girls in the back writing 5 loans a day. And gold, at that time was \$300 an ounce and a gentleman called me up to ask me a question and the question was, "Do you take in gold coins?" And I said, "Yes". And, I didn't have \$200 at that time when he called and he came in the store with his future wife, his fiancée, and I ended up trading him a gold coin for a ring, to which he pulled 2 gold coins out of his pocket. During that time I had made a few sales. We did a few redeems and I ended up buying all 3 gold coins. You talk about a life changing event. I went out within 2 weeks, sold those 2 coins because, as a matter of fact, gold went up to around \$370. So, I took that deal and made some extra profit. That was a life changing event and most people never heard that story. I never wrote about it in my book and that's something that I can really hang my head on that it was a life changer.

FT: And, it sounds like it happened so quickly.

LG: It was one of those things that, you know, I believe in God and I believe that, you know, “You make your own luck but there’s always somebody watching over you.” And, that particular day somebody was watching over me. I closed that deal and it was one of the most successful days that will live in my heart and my brain forever.

FT: So, I don’t ask this of all my guests but I probably should start doing this because I think people would be interested to know. When you hit that, when you struck that success, that successful moment, what was the first thing that you did to indulge yourself, like what did you splurge on, what did you buy?

LG: See, one of those things that people don’t know about me, I’m a cheapskate, and for me personally, I don’t buy me a lot of stuff. You know, right now I smoke cigars every once in a while so if it was going to be today, I would buy myself a cigar or I would buy myself a new spinning bike. I’m big into physical fitness. So, I really don’t splurge on myself. On my wife, on my children, that’s one thing but on myself I’m very content.

FT: Alright, alright, yeah, I can see that. I mean it’s no coincidence that you’re a successful businessman. You are very, very prudent about how you spend.

LG: Aye, that’s true. I mean it was very difficult for me to have Seth buy me a new iPhone but the day they came out he bought me one. Not that I agree to it but he thought I should have something, you know, really new in technology.

FT: Well, I would be curious now to find out, Les, what are your financial habits? There are a lot of habits that we all, that we all have, good and bad in a variety of aspects of our lives. When it comes to a financial habit, Les, what’s one that you practice, whether it’s daily, weekly or less frequent but it’s a habit that’s important to you?

LG: One of the things that I’ve always been a gambler with is I always gambled on Les Gold. You know, I know that the stock market is pretty important. I never believed in the stock market. I used to deal commodities. My father-in-law, rest in peace, used to be a cattle, in a slaughter house business and I used to take his advice and I lost more money buying cattle than I did anything else. But, what I do everyday right now for my financial security and my financial wisdom everyday is I use the internet and I’m a gold trader and I’m a diamond trader and I utilize that service every morning. So, I get up at 6AM, prior to me working out 7 days a week and I go to the internet, checking on gold prices to see the barometer of that and I use that each and every day when I come to work. All my employees are utilizing that service because we deal in diamonds, we deal in gold. We deal in silver and platinum, so we need to be really sharp on the market so that we don’t make a mistake.

FT: What is one thing that you think is the most valuable item, if somebody were to walk into your store right now with something in their hands and that you would consider to be probably the most valuable thing that you would buy it without even hesitation and that you could sell and make huge bucks?

LG: As a matter of fact I’ll tell you another good story. Somebody came in with a 2-carat diamond. It was chipped and we ended up buying it, taking it up to Los Angeles, having it re-cut. It came back as

a D flawless diamond. So, we took an \$8000 investment, paying it was a fair price at that time because the diamond was broken. I took it to my diamond cutter, we ended up re-cutting it. We sent it to GIA which is Gemological Institute of America, which is the famous diamond grader. It came back as D flawless, it ended up to be valued at over \$60,000 and if you see me right now, it's currently in my ear.

FT: Oh my gosh, how many years ago was that or was that like a few months ago?

LG: Bought it 3 years ago, we took our time in re-cutting it, certifying it and because it's so valuable and it's one of those things that you're not going to sell to somebody just walking through the door for a 2-carat, I'm ending up sporting it now. So, maybe one day somebody will come in and buy it right out of my ear. One of the things that we sell mostly are diamonds out of my ears. So, if it's good enough for Les to wear, it's good enough for my fiancée, saying that some guy's going to buy it for his fiancée to have it on her finger. So, it was a great deal.

FT: Betting again, on Les Gold, gambling on Les Gold. It seems to work in your favor more often than not.

LG: It does.

FT: Well, this is almost the wrap for the interview. We're approaching the portion of the interview where I ask guests to finish a sentence and the first thing that comes to your mind just blurt it out. So...

LG: Uh-oh, that could be, that could be...

FT: Well, I'm hoping that there might be some, you know, a spontaneous crazy answer is kind of what I'm going for here. Just kind of get...

LG: Don't worry, I was only kidding.

FT: Well, you know, anything goes on So Money. Alright, Les, if I won the lottery tomorrow, one hundred million dollars, first thing I would do is _____.

LG: Workout, what I always do each and every morning.

FT: What would you do with the money?

LG: I would put it in the bank. I'd put it in some investments. I wouldn't spend it because I'm pretty content today, so the hundred million dollars isn't going to change my life period.

FT: Would you leave it to your kids then?

LG: Well, for sure I'd leave it to my children and grandchildren, no doubt about it.

FT: Okay.

LG: That would be the first thing I would do is setup a trust for them.

FT: The one thing that I spend my money on, I know you said you're already frugal but I'm curious to hear if you have an answer for this. The one thing that I spend money on, it doesn't have to be a lot of money but it does make your life easier or better, what is it?

LG: Oh God, if it would be better, I wouldn't smoke cigars, it would be cigars.

FT: So, that's sort of the better enrichment purchase.

LG: There you go. That calms me down. I mean I work out a lot and I smoke cigars on occasion. It's all about my physical fitness. I work out like a dog.

FT: And now, you've made going to Cuba a lot easier so you think of making a trip anytime soon?

LG: I would love to go to Cuba. From what I understand it's going back to getting off the plane and being in 1960, I would love to go to Cuba. That would be my ultimate dream trip.

FT: Well, when you win the lottery, the hundred million dollars...

LG: Well, the government has to let you go, so as long as they'll let me go I'm doing it.

FT: Alright. Get you on that list. Now this, you may have already answered via the cigars but what's a guilty pleasure that you spend a lot of money on, maybe more than you're willing to admit?

LG: Workout equipment. I spend more money on workout equipment than I'd like to but I only want the best equipment to keep me in tip top shape.

FT: What's the most recent purchase you've made?

LG: I bought a new spinning bike that runs with a magnet versus the pads, so that's what I've done.

FT: Nice. Are you, do you also have one of those standing desks or do you sit during the day? You're probably walking around the store most of the day.

LG: I'm walking around all day. I very rarely sit, only to do interviews with people like you.

FT: Awww.

LG: Thank you for getting off of my feet, but normally, I'm standing all day long.

FT: You mentioned earlier that you had encounters with making money and you getting that high off of selling when you were very young. But, what is one thing you wish you had known about money growing up that you didn't necessarily learn?

LG: How important it was to have a financial executive helping you make some decisions. You know, one thing I've never done is had a financial adviser until recently and I wish I would have done that sooner. I think that that's very important for people to have. I never thought about it until recently. Now I've thought about it and I think I made that mistake by not doing it sooner.

FT: And, when I donate money, I like to give to _____ because _____.

LG: I like to give to local charities because it supports, it helps the people that support me. So, that's what I do. As a matter of fact, we're doing an event, February the 7th, for THAW, The Heat and

Warmth Fund. We close the doors at American Jewelry and Loan. We open the doors to people that have donated to THAW and that's what I like doing, helping people that are in need in Michigan.

FT: And, finally, Les, I'm So Money because _____.

LG: I'm So Money because I work so hard at it and unless you work hard at it you're never going to have it.

FT: Here, here, absolutely, Les. Always a pleasure to speak with you.

LG: Thank you so much for having me on.

FT: Before we go, tell me about the new season of Hardcore Pawn. It's season 9, how is it different this year? I mean every year, every season goes through kind of a new phase, a new evolution. What can we expect this season?

LG: Like I told you earlier, the loans have gone down so our loan balance is diminishing. What you're going to see this particular season is some of the biggest deals I have ever made and actually the biggest loan I ever made is going to be shown on season 9. It's almost 6 figures. So, you know you have to go with the times being a pawnbroker and now, in 2015, we have to go into times. You're going to see it at Hardcore Pawn, 930 on Wednesday nights truTV, don't miss it.

FT: Alright, DVR, folks, if you're going to miss it, DVR. Thanks so much.