## Limited Partner Syndication Investing with Spencer Hilligoss

**Dan Breslin:** Spencer Hilagas. Welcome to the Rei Diamond show. It's a pleasure to have you here today.

**Spencer Hilligoss:** Oh, thanks, Dan, honored to be here. Really appreciate you having me on.

**Dan Breslin:** Yeah, for sure. So it was exciting. You know, you have a pretty interesting background. Looks like there may have been some tech company corporate

**Dan Breslin:** events for you that I assume you did well with over the years at least, in doing some research and stuff that I found out online, and that ultimately led to you, putting together founding, I believe, was it with your wife, Madison, invest.

**Spencer Hilligoss:** Yeah, that's right.

**Dan Breslin:** Okay, cool, cool. So would you mind giving us a few highlights here just to kind of paint a picture of the background of a guy like yourself who started as an Lp, and then probably started bringing some friends in. As you see, you know, 1819 20 returns come in. You kind of want to share this thing, and then maybe that continued to compound from there.

**Spencer Hilligoss:** Yeah, you know, happy to looking back now, I mean. Never would have thought if you had gone back in time, and I talked to myself 20 years ago that this would be kind of the business and the life that we'd be leading. So you know, like we chatted up front, I lead Madison investing passive Lp. Club alongside our investors. We invest alongside them in big assets that we like and

**Spencer Hilligoss:** man the landscape over the last few years in particular, Dan. Such a helpful educational experience in so many ways, you know. Mostly good, you know. You get your learnings the tough way a couple of times in this market landscape. But, I would say, looking back at my corporate career in tech so many of the principles and tough learnings I got from working in these 5 different high growth, high paced Silicon Valley tech companies, man

**Spencer Hilligoss:** thrust into leadership at the age of 26 and managing 200 people way before I knew what the heck I was doing way over my skis, like those learnings.

**Spencer Hilligoss:** those frameworks. So much of that translates directly to how we look at and do what we do now, which is, find great sponsors, commercial real estate sponsors doing self storage multifamily and beyond.

**Spencer Hilligoss:** and we vet them and make sure that we can feel like we could sleep at night before we go and deploy 50 k. Or 100 k. Or more

**Spencer Hilligoss:** into one of their deals or one of their funds. But, you know, truth be told, I used to be embarrassed to share that. Like my my dad, you know he was a broker for 30 years in real estate. So I technically, I entered the business quote unquote. I don't know. At the age of 6, you know I was eventually working open houses for him when I was a teenager cleaning out fridges for properties that he was bringing to market, and just generally realizing, hey? Maybe it's way more

**Spencer Hilligoss:** cool and fun to tell your friends when you're a teenager, that you want to go work at tech companies, then go work for your dad's real estate business. So it's like the universe's way of somehow saying, Hey, look! We all become our dads at some point, in some way, shape, or form, because here I sit now back in real estate through a different lens. And I did found Madison investing along with my wife, co-founder Jennifer.

**Spencer Hilligoss:** She and I decided to kind of walk away from our corporate careers back in. I left mine in 2019 because we had been growing

**Spencer Hilligoss:** this investing club, you know, for for a few years, and never did I think it was going to be something we'd grow to be hundreds of passive investors and investing in dozens of of Lp positions across, you know, medical office, mobile home parks, self storage multifamily and beyond. And so this, this has been a really fun journey. And we, you know, we we keep the same rigorous approach that we did on our very 1st one that we we invested in.

**Spencer Hilligoss:** where we kind of look at 5 parts of a vetting framework with every sponsor we look at the number one track, record number 2, their approach number 3, their team number 4, the communications and number 5 their values. And there's a nerdy spreadsheet that backs up all these things with different qualification criteria that we like to use. But you know, it's in the end you invest. We take action, and we ultimately try to just approach it more like marriage than dating.

**Spencer Hilligoss:** because these are

**Spencer Hilligoss:** long hold periods, you know, when you 1st get into these types of deals and funds as a as a passive investor.

**Spencer Hilligoss:** it's a real head change when you're switching over from investing in like the you know. S. And P. You're investing in just stuff that is far, far more liquid. And then you're like Whoa! We're with the same partners, for you know better part of, you know, 5 years better part of a decade. It's longer than undergrad college man. So it's it's it's been a really fun educational journey. And we get a chance to, you know, with a little more flexibility in the schedule to really focus on what matters now which is being a great dad and prioritizing serving our investors. So.

**Dan Breslin:** That's probably more than you wanted. But just want to kind of give you the context.

**Dan Breslin:** Yeah, that's that's great. We have a lot to unpack there? Do you actually own other than like the house you live in or vacation home? Do you own any other physical, hard assets? Real estate like 100. Just you, you and your wife? Or is it 100 lps in other syndications?

**Spencer Hilligoss:** Yeah, we built up a modest rental portfolio initially, which is like the classic trajectory for a lot of folks, you know. So example was the first, st you know. Actually the 1st one that we still own now was like a duplex

**Spencer Hilligoss:** on the West Coast. Here I live in California, and a little island called Alameda, in California.

**Spencer Hilligoss:** It's like 45 min north of us.

**Spencer Hilligoss:** Such west Coast pricing, you know. This is before we understood how to goal set for cash flow.

**Spencer Hilligoss:** And so we went and paid for 430 grand for a duplex. It's appreciated hundreds of thousands of dollars thankfully. But we were getting 200 bucks a month in cash flow, which is not what you call a cash flow win, but it is educational, that's for sure. You know, we drove around all summer just to buy that damn thing and find that in California that is, it's a win at least to get something that cash flows in general.

**Dan Breslin:** 100%.

**Spencer Hilligoss:** You know, like we'll take it. But we then went on, realizing our dollar had to stretch further. And we want we were going to tap out on capital if we kept on buying properties that way. So we went out to the Midwest, and we built up to a modest portfolio of 5 single family rentals and economics were, of course.

**Spencer Hilligoss:** wildly better on cash flow. You know, 60 K. Average purchase price, which is confusingly in mind, blowingly cheap by West Coast standards, you know. Average cash flow 250 bucks a month. So we're sitting there going. Whoa! We cracked the code, you know, it's

**Spencer Hilligoss:** of course you go through the learning process on rental and investment. I still believe in them. I really do think they play their role well

**Spencer Hilligoss:** in someone's portfolio as a tool. But you know, when the turnover on one of those tenants happens every year, I mean, you're talking about crushing your economics for the whole darn year. Right? And so where you get a, you get a piece of mail. Despite the fact that you have a property manager, you're giving 10% to every month. You still get that piece of mail from a county sitting out in another 1,000 miles away, saying, Hey, there's a couch sitting on this lawn can't be there. And you're sitting there going.

**Spencer Hilligoss:** you're like, why am I paying this 10% per month, you know. So yeah. So we've kind of built up to that kind of modest portfolio before we realized maybe at some point down the line we'll go back to buying outright. But for right now we have a couple of young kids, and and we strive to be as passive as we can be whenever we can be.

**Dan Breslin:** Yeah, I got up to, I think, like 49, or 52 units 10 or 12, maybe a few more single families and 3 flats, 2 flat.

**Dan Breslin:** 15 and a 10 and a 6. Something like that. So, bunch of units.

**Dan Breslin:** Yeah. But then, our main business is flipping houses, and we did 259 last year.

**Spencer Hilligoss:** Nice.

**Dan Breslin:** 3, 330 the year before that we have an office in Atlanta, Chicago, and Philadelphia region. And we serve basically a 2 to 3 h drive radius from any of those office locations.

**Dan Breslin:** So we we drive to do the deal. We have a lot of work involved to keep that you know, fix and flip operation in that deal machine going. So I started to sell off that portfolio to free myself up. Now I I personally have been doing Lp. Syndication since the bottom of the market started, which is well. 2021 was still the peak.

**Dan Breslin:** and I made my, I guess my 1st Lp. Investment in 21 went heavy in 22 and heavy in 23, heavy in 24. I believe maybe it was 22. I made my 1st thing because it was about 3 years and I looked at

**Dan Breslin:** the amount of effort, energy, and letters from the county about the couch on the front that I got from our shopping center. That's in Las Vegas

**Dan Breslin:** that I own a nice chunk of and there was no letter, because none of that stuff has my address on it at all. Yeah. And and you know, like magic money, it's just showing up every single month on the same day of the month. Now it's been doing that for like 2 years. The distributions that are starting, and we'll have nice windfall. And you know, big return of capital, and that will be like kind of the big chunk of our profit on that deal later. But just weighing the attention factor

**Dan Breslin:** on that portfolio versus the Lp. Has me shifting more and more into the lp, and I may kind of get to about that 6, 8 houses that are paid off. I have them paid off the single families already, so I might just like kind of let's sit there. If they go vacant, then sell them off. That's not in a big rush like the others. But yeah, the the point that I'm getting at for me at least is.

**Dan Breslin:** and my listeners have heard me say this. You, you know single family rentals buy rent, rehab refinance.

**Dan Breslin:** apartment buildings. Whether that's 2, 3, 4, unit 12 Unit 15 unit or 260 unit. These are businesses that you're gonna run. And I don't know about you, Spencer. But for me. I I run the main business diamond equity, the house flipping machine. I want to run that thing

**Dan Breslin:** at its highest level because I owe that to my partners. And that's how we have the most transformational impact on real estate in the markets where we operate that business. So I looked at it, and I thought property manager would keep everything off my plate. That wasn't the case, you know. The insurance cancellation comes in now. It's like months of repairs to get insurance again.

**Dan Breslin:** So I made that decision that I was gonna get out of the residential rental real estate business me actively, which is what a big portfolio is, and I think at the beginning there's probably someone listening now, Spencer, and they're like, if I had 5 houses in the Midwest

**Dan Breslin:** that would just change that would just change.

**Spencer Hilligoss:** My life.

**Dan Breslin:** Oh, man, 2, 50 a piece. Yeah, I'll get like 50 of those. But the you don't recognize the actual cost of your attention to run 50 units until you get there. So you know, at some level must be nice that you had that lesson before you got to 50.

**Spencer Hilligoss:** Hey? Well, kudos to you, though, Dan, I mean, that's an impressive machine that you built on top of it, and I have to share that, like a

**Spencer Hilligoss:** an important, a pivotal step in my learning journey. Going down this rabbit hole in real estate

**Spencer Hilligoss:** was that the 5th Tech company I went to was the largest, you know. Tech enabled private lender for flips in the country, and at the time it was lending home, you know, and then they rebranded as Kiavi, you know. So I was brought in to lead their origination groups, for you know, scale those until we were doing 600 loans a month.

**Spencer Hilligoss:** and and that was me coming in as a guy who I'd worked for, you know, high growth, hardcore places. But they were not real estate, and they were not lenders. So I'm walking in going. I don't know what it means to originate, you know, and I have to somehow go in and earn the respect of

**Spencer Hilligoss:** a bunch of very, very, very experienced, very salty, strongly opinionated team members and lead their team and scale them. And so that was that was really something, you know, going through all of the in-depth underwrite and getting licensed. Just so I understood the process. And so I bring that up because

**Spencer Hilligoss:** it really gave me a deep, deep respect for the machine. That is a flipping business, and the flipping business is as hands-on as it gets incredibly profitable. But, my goodness, you know, you got to know what levers to pull. You got to know when to pull them.

**Spencer Hilligoss:** And also you have to just be expert level on risk management in every way possible. So good on you, I mean, that's a really, there's a tough machine to stand up, and it's an even tougher machine to scale, and you're pulling it off.

**Dan Breslin:** Thank you. Yeah, thank you. We're blessed. We have a great team. I think that's

**Dan Breslin:** the critical piece there. And

**Dan Breslin:** I didn't set out personally with goals to do what we've done.

**Dan Breslin:** And we've been about level in volume

**Dan Breslin:** for the last 4 years. But we'll take that because it's a nice strong volume market leading volume.

**Dan Breslin:** But it was never the goal. It sort of just happened. And we were like amazed. And you know new players continually join the team who kept raising the bar.

**Dan Breslin:** and we did some of that intentionally, some of that raising the bar, you know some of that Amazon style leadership would be the the inspiration there. But

**Spencer Hilligoss:** Gotta do it.

**Dan Breslin:** But yeah, yeah, I digress. I digress there. So yeah, going into lps. So I'm gonna touch on. And maybe you'll have some elaboration on this. Well.

**Dan Breslin:** I remember buying my 1st rental property.

**Dan Breslin:** and there was a moment I had to wire in. I was paying cash 60 grand for this rental property. I had to wire it in. There was tenant in there, and the guy couldn't give me proof of payment. I'm like, why need proof of payment.

**Dan Breslin:** God forbid! I buy it and have to evict, and he's like, Look, she's paying you. Either you wire the money or the deal is off, and I had to like wire the money right? I chose to wire the money. Luckily I sold it, for, like a hundred grand. 5 years later I evicted her. Then I evicted her son, who was like.

**Dan Breslin:** but I did make money on the deal.

**Spencer Hilligoss:** Got messy.

**Spencer Hilligoss:** You're welcome.

**Dan Breslin:** Yeah, correct correct house in Philadelphia. But I remember this like the moment, you know, maybe the night before the wire, the moment that I was calling the wire in

**Dan Breslin:** would sort of go time, and I was a man. I'm I'm generally tried my best, just like all of us, to be a man of my word and stick by my price. No renegotiation. That's not our business model. And

**Dan Breslin:** you know, I said I was going to buy the house, so I pulled the trigger, and I wired the money, and that's how I've treated every one of my Lp investments. I think I have 5 separate, maybe even 6 separate

**Dan Breslin:** partnerships that I put money in where I'm not the guy who has to does the insurance decisions and every contractor hiring decision. I'm you know, effectively. Lp, even if I am on the Gp side, I'm not the lead. Gp. Who's making the

**Dan Breslin:** majority of the decisions.

**Dan Breslin:** Now, I don't feel that same apprehension as I'm firing the money off. I watch an operator. I know them. I will know mine for years, potentially, before I pull the trigger and send some money in. But on that 1st one I had that same hesitation. It's like all right, did returns look good. We did our underwriting, I mean, I'm in Costar, checking the price per square foot of other competing shopping centers before we bought. I'm checking the rents the best I can like. I did everything I know to do

**Dan Breslin:** to underwrite the asset is if I'm gonna buy it. And I'm an investor guy. So like, I'm mitigating risk like you said. We're flipping houses, and I know cap rates, and I know how they're

**Dan Breslin:** affected by interest rate adjustments, and I know demographics. So I think I'm probably more aware of many more questions than most lps are going to ask, and I go hunt all that information down. I don't think that everyone's going to have the time or the resources to do that kind of thing.

**Dan Breslin:** So everything checked out. And then I told him I remember there was this moment there where I'm like on the phone with the operator. And I'm like.

**Dan Breslin:** Okay, I'm going to do this.

**Dan Breslin:** And he's like, all right, I'm sending the wire across. So there was the apprehension at that moment where I had to like, speak up and commit. But then that's then there was the same level of having to push myself to perform on my commitment to send off

**Dan Breslin:** the largest single wire that I've ever sent off in my life at that point.

**Dan Breslin:** Yeah.

**Dan Breslin:** that operators is huge money, right? And it's like, Oh, my gosh! Do I know this guy? Did I do the underwriting? Does he even own the property because there are horror stories out there where people don't own the property, and the reason.

**Spencer Hilligoss:** Sure.

**Dan Breslin:** Right and just complete con artists and a lot of them. We started to see, you know, especially a lot on social media and a big following, and turns out they didn't actually buy 3 or 4 of the 10 properties. They said they just walked off with the money. And now the FBI has those.

**Spencer Hilligoss:** That's right.

**Dan Breslin:** Gps, right? So all of those things sort of popped up, and at a point you had to make decision. You had to send the money, so I sent the money

**Dan Breslin:** right.

**Dan Breslin:** I don't know. Did you deal with any of that on the 1st lp, because for me, here's what else I'm facing. Personally.

**Dan Breslin:** I'm I've sold off the units.

**Dan Breslin:** I'm supposed to settle out of 14 more in the next week, and as they've sold off this like false sense of security. I make dramatically more money flipping the houses than I make from the rentals. In fact, they probably lose money because I'm renovating them and turning them over. I don't make any money from rentals.

**Dan Breslin:** but there's a false sense of security and owning the rental portfolio where oh, I'm going to be set. I'm set for my retirement. I better not eat the portfolio. I better not sell anything. I better not get rid of it. But I'm I'm making the discipline move to extract myself

**Dan Breslin:** from the distractions, to keep the main business running so like a part of me that feels this trepidation about not owning the the headache rental properties anymore. Right? Maybe you could relate you still own the duplex, and maybe a couple of the ones in Midwest. Oh, no, don't sell those so part of going to the lps is

**Dan Breslin:** I am having to trust my partners 100 implicitly with the money and trust are going to do the right thing, sell at the right time, make the right phone, calls the lease negotiations with the tenant, adjust their prices on the self storage facility correctly, not pay the contractor until the works done. The list goes on and on, and on and on and on, because that guy is running a business. The way that I am in my flip thing around running that business, that partnership

**Dan Breslin:** that I'm going to become a partner in for the long term like you said, it's a marriage. I'm not going to date that person, so maybe you could touch on some of the emotions that Lps would feel, maybe from your own perspective, or maybe even from some of your friends and the club members and the community members who have invested for the 1st time in an Lp. Deal.

**Spencer Hilligoss:** Oh, highly emotional moment. And I really appreciate you sharing that, Dan. I mean that is, I don't think I've met a single person or talked to a single investor who has ever said no, it wasn't a big deal like wiring, and I always keep an even keel perspective on this. Once people start kind of, you know, beating their chest about. Oh, you know. Oh, it's only 25 K. It's only 50 K. I'm like, I don't care what someone's net worth is. That's a big chunk of change. And you know, the 1st time

**Spencer Hilligoss:** we wired into a deal it was in Alabama as a multifamily deal. Yeah, absolute pause, you know, and over time your comfort zone expands. But I was just talking to one of our new members yesterday about this, you know, this is a great example of like a common profile of folks that I often connect with, and they're kind of getting into the space for the 1st time as lps, despite having robust portfolios in traditional equities, markets, bonds, stocks, etc.

**Spencer Hilligoss:** And you know this, this guy is making, you know, hundreds of thousands of dollars a year. Tech leader, and he's sitting there, you know. At least he's self-aware enough to say.

**Spencer Hilligoss:** you know, Spencer, I'm heavily weighted in at the S. And P. 500, and I can't get my head around this idea of illiquidity, and I and I was so I was happy to hear him say that because that is like one of the main parts of my educational mission that I take so seriously when I'm educating folks getting into this for the 1st time is like.

**Spencer Hilligoss:** you know, they freeze. We all do after doing months of analysis, hopefully months of reading books and devouring podcasts. And they get to that starting line. They find a good deal beautiful looking investment summary got all the pictures, got the pro forma. They've called their sponsors, etc, and they get right there, and then they sit there and say, Well, wait like

**Spencer Hilligoss:** I won't be able to see any money back from this. Maybe some cash flow. But it's going to be 5 years. It's gonna be 7 years, and that is a rare amount of self awareness. Because I always say.

**Spencer Hilligoss:** I recommend just getting into a deal at a small amount. Because are we as humans? We learn better when we have skin in the game, you know. And so like, when people start, they start mapping out these 10 year journeys before they've invested in a single Lp position. And I'm like Whoa, like

**Spencer Hilligoss:** he hit the brakes. You know the the quote that I got from a mentor of mine years ago. He was like.

**Spencer Hilligoss:** there will always be more deals, man.

**Spencer Hilligoss:** There will always be more deals like you don't need to think this is like the one day the one chance to have a generational wealth moment got to do this deal, or all else we'll loss, and I'll fail at life. It's like, no like you're going to have a chance to look at hundreds of deals if you want to, over the course of a single year, so find one.

**Spencer Hilligoss:** Carve out a little bit of a chunk, invest in that start getting into the flow and see what it feels like knowing you can't withdraw from this like a savings account. You can't redeem from this, even from like a semi liquid type of account.

**Spencer Hilligoss:** And

**Spencer Hilligoss:** what does it feel like to get just a monthly or quarterly update? Read those financial reports, you know. Do you find that interesting? Do you like the way it feels to invest? So I think to answer your question. The 1st time I invested highly emotional and and very much emotional, I think, for some folks to the point where

**Spencer Hilligoss:** I don't think these are a fit for some people, you know, like.

**Dan Breslin:** 100%.

**Spencer Hilligoss:** Like people who are. Everyone has a different risk, tolerance. And this is not a dig. This is just a fact. Like some people, they really want absolute control over the moment they buy and sell a piece of stock they own

**Spencer Hilligoss:** good on him.

**Spencer Hilligoss:** I have looked at our portfolio, the illiquid portion of our portfolio, which is lots of alternative investments across all these great asset classes.

**Spencer Hilligoss:** And I I have found it to be actually a boon, like a helpful thing.

**Spencer Hilligoss:** and also to be illiquid in some of these investments, because that way, you know, it's a hedge. It's a protection against our own emotion to say, Oh, but I got to take it out of this. Oh, I got to pull the ripcord on this, and it's like well.

**Spencer Hilligoss:** but you don't just let you know you did the due diligence upfront you vetted the sponsor. You liked the business plan. You looked at the market, you did all that legwork. Let it ride just like just let the thing ride, you know. And so, just to kind of answer your question, I think the way I mitigate that emotion, though to mention this, Dan is is structure and framework and rigor, and I pulled that from one particular startup.

**Spencer Hilligoss:** It was the most hardcore early stage startup a series startup I was at and surrounded by these brilliant people like way smarter than me.

**Spencer Hilligoss:** running circles around me, academically and otherwise. But they always used frameworks to break down tough decisions

**Spencer Hilligoss:** because you can't afford to sit around. You have to make big decisions quickly. And good decisions are typically made slowly. So

**Spencer Hilligoss:** how do you do that? Well, you got to have some kind of framework, and that's why I try to mitigate the emotional aspect of the stuff by just putting together a good looking framework that we can, that we can rely on and does it work? 100%? Of course not. You know we're not robots, but that's helped a lot.

**Dan Breslin:** Yeah, you brought up an interesting emotion mindset, if you will, with your answer there that I wasn't expecting, and I'm gonna touch on that here there will always be more deals. And you said that. And I said, Oh, yeah, that's so obvious. Of course, there's gonna be more deals. But that's obvious to me, because I'm sitting here at the seat of real estate, forever and ever and ever and ever. I'm not the tech guy

**Dan Breslin:** who was there with Mark Pincus going in on the Facebook, you know, a round, or whatever it was, where that was. The deal of lifetime.

**Spencer Hilligoss:** Right.

**Dan Breslin:** And, in fact, most people who understand investing read about it, you know.

**Dan Breslin:** study, you know, from the public equities, right stocks, bonds, etc. There are quite a few actually deals of a lifetime where you have to back up the truck. Go in heavy. And suddenly that's where you made your 100 million dollars from a million dollar investment, 100 x return a 500 x return. They don't just come down the pike every time you turn around.

**Dan Breslin:** So perhaps some people come from that area right? And that's a challenge, because they're unaware of this endless flow of Lp deals. You're right, there will be another limited partnership that's going to invest in self storage, or it's going to invest in multifamily.

**Dan Breslin:** we're developing self storage ourselves right now. But the list goes on and on and on. About these kind of

**Dan Breslin:** you know, anywhere from 12% on the low end to 30 35% on the high end are returns that I know about that have transpired in the last 24 months. Right now, I think one thing that's important, too, just to switch gears a tad here we're in 2025,

**Dan Breslin:** and from my view

**Dan Breslin:** the last 3 years have been the bottom of the Lp. Market. There have not been exits. Deals are underperforming. When your friends are talking about the real estate investments. They're bitching because they're not, you know, turning around doing these crazy refis and getting the hell out of them. At these surprise, oh, we were projected 20, and we got 25% in 19 months.

**Spencer Hilligoss:** Right.

**Dan Breslin:** The the unrealistic top of the market type of error. But guess what, Spencer, I mean my opinion. I'm patient. I chose the right lps. And we're in projects that have

**Dan Breslin:** significant demand or other factors that made those assets themselves. If we talk about your approach right, I'm leaning on the track record of every one of my GPS that I put money in. But what's the approach? And I would say, that's the property itself is the approach. They're approaching that property with certain business plan to turn that around. And

**Dan Breslin:** I think the deals that you know. 2 years, 3 years, 4 years from now we'll we'll exit, and we'll have our 25%. We'll be telling our friends about these, and we'll be happy that we exit it. We're like all bitching about the tax bill that's gonna come that year.

**Spencer Hilligoss:** Good problems.

**Dan Breslin:** Yeah, but this is the bottom, right? So if we took the mindset of the stocks and the Lp investors, it's like you had to go in and buy. What was it? Probably a week into the Covid shutdown? That's when you had to buy almost anything. Yeah. Google and Amazon and a bunch of the other ones, you could almost have thrown a dart at the stock market.

**Spencer Hilligoss:** Totally.

**Dan Breslin:** 12 days in and one dramatically. I'm not saying you could throw a dart and hit a Gp with your Lp investment right now and win dramatically. But I think, recognizing that right now is a tough time to make investments in real estate with the interest rates high, and without these amazing exits over the last 24 months, and I just continue to make those investments. And what helps me, too.

**Dan Breslin:** I view it more

**Dan Breslin:** as Ira money. Spencer. Right? You've been putting money in your Ira, your whole corporate career, and there's 300 grand, 500 grand there, and you can't touch it forever, anyway.

**Dan Breslin:** surely

**Dan Breslin:** putting the money in. You didn't notice you're putting the money in because it came out of your check, and it didn't your bank account first.st You didn't have to pay taxes on it 1st before went into the Ira. So most of my Lp investments that I've made, and I continue to make I look at it that way. I'm like, that's for my retirement, and I spread them around across asset classes, across markets in the country, and I have a major amount of diversity in the Lp investments that I've made. I'm not just all in Texas where one hurricane comes and hits every one of my properties.

**Spencer Hilligoss:** Right.

**Dan Breslin:** But it's a it's it's a same thing you said so long term approach that they are not liquid. I can't get out of them. So they're like Iras to me. And I've also discovered that there's times

**Dan Breslin:** where people want out, and there are sometimes buyers for the Lp position. So like, I have

**Dan Breslin:** good relationships with my GPS, where like, if someone wanted out on, you know, quarter 1 million, maybe they're getting out and they're not getting returns. They're getting their capital back. There's no proof.

**Dan Breslin:** Yeah, hey? I need my money back. It's been in there a year and a half. Okay, like.

**Dan Breslin:** there's probably another investor who likes it, who would take you out of the deal. So I'm not trying to

**Dan Breslin:** create a hailstorm of problems for the Lp. Deals that you're in. But there, I know of many people who have gotten their money back the kids college, and something didn't come through with the loan, and they needed 50 grand and a lot of times. It's like you're in the deal with other wealthy people and other people like, Hey, you know I got another 50 laying around. I'll go ahead. And

**Dan Breslin:** sure.

**Dan Breslin:** yeah. So so they it doesn't mean they are not by any means illiquid. And you can't get them, but selling them on day 14 of the Covid shutdown that day would have been impossible to get out of any. Lp.

**Dan Breslin:** Stepped in and took you out of it, but you could sell your stocks for 50% off.

**Spencer Hilligoss:** Yeah, I mean one thing that you brought up here. That's so interesting and relevant. I think, too, Dan, it's like you compare

**Spencer Hilligoss:** those exits from 2021, right? I mean, we were really, I'm so grateful. And you know that we were caught. The wave right we were. We got in started investing, you know, throughout 2018. Around there, 2017, and heavily throughout, there caught a beautiful wave in 2021 of some exits, you know multifamily, self-storage. Now.

**Spencer Hilligoss:** we also like, if you look at okay, well, what's the realistic other side of that? So in the past year, 2024

**Spencer Hilligoss:** 4 exits. We had 4 exits. And here's the difference between those 4 exits is we had 2.

**Spencer Hilligoss:** I am so happy we got our capital back.

**Spencer Hilligoss:** and they, you know, variable rate loans on multifamily in 2024. If you're getting 100% of your money back, you should be kissing the ground

**Spencer Hilligoss:** which which I am, and so on. The other ones, home runs.

**Spencer Hilligoss:** And so I apply the principles of like, Hey, let's go back down to like, analyze this like, what's the root cause here of like? Why did that go so well? And in

2024 like, how did this? How did these 2 deals like one was a mobile home park. The other one was multifamily and the multifamily

**Spencer Hilligoss:** I just have to point this out because it's so. I think it's insightful. I think it's educational for how we look at deals now, which is, it was a newer build, you know. It was like a class. It was multifamily deal a few 100 units. And now in Idaho, you know, tertiary Market.

**Spencer Hilligoss:** and this is like real path of progress stuff.

**Spencer Hilligoss:** But it was also the lowest projected returns going into that of any deal I've ever been in.

**Dan Breslin:** Wow!

**Spencer Hilligoss:** So if there's not wisdom in that, I don't know where there is. So you know, and it ended up having a wonderful irr, you know. And and so I look at that. And I'm like

**Spencer Hilligoss:** in this moment, with this volatility out there, you know, so many folks are looking for

**Spencer Hilligoss:** that flight to safety and that flight to safety means newer products. That means like newer assets. And so, yeah, those exits are not, you know, not the same as 2021. So I think folks coming in right now

**Spencer Hilligoss:** I'm sure you hear this often, too, is like they'll talk to them if they've never invested anything as an lp, and they're saying, Oh, I want to get those 2 year, 3 year exits at that amazing multiple. And it's like that was a different time come back to Earth, and and this is absolutely a wonderful asset of asset classes I invest in. I believe in exactly to your point, Dan, like

**Spencer Hilligoss:** it's like dollar cost averaging in stocks, you know, like, always be deploying in every context because some will hit some. Some will not. As long as you're taking those due diligence steps to de-risk whatever you can de-risk, but you can't.

**Spencer Hilligoss:** There was no single human on the planet sitting back in 2021 who had a forecast, whether it's a human individual or a large institutional firm that had a 300 basis point increase in interest rates in their forecast, not a single one. And so

**Spencer Hilligoss:** you can mitigate some of these risks. But you can't control all of them. So I really believe, moving forward. We try to just always be looking, always be investing, but just doing so in a prudent way.

**Dan Breslin:** I don't think I was forecasting 300 basis points increase. But since 2016 and you can go back and check, I've been scared to death of interest. Rate hikes on any Lp deal, so you can.

**Spencer Hilligoss:** Sure.

**Dan Breslin:** I can listen to my podcast. Archive. And I'm talking about the interest rates rising.

**Dan Breslin:** And I came in in 2,006. So pretty much. We everyone who was in the business in 2,006, 7, 2,004. We've all been waiting for the sky to fall since then, still waiting, waited all the way all the way back up like that was our experience. If you got in the business at that point in time, but a lot of people made a lot of money taking the risk right? Like, how many games do you miss out on? If you don't get into the market.

**Spencer Hilligoss:** That's right. Yeah, I mean.

**Dan Breslin:** Yeah.

**Spencer Hilligoss:** And of course, you know, you can always bet on a more optimistic scenario and a more rosy scenario, or you can bet more conservatively. Of course it is safer to just bet conservatively, and miss out on some of the party.

**Dan Breslin:** That's right. What? What was the projected return on that newer build? Multifamily deal? Do you remember.

**Spencer Hilligoss:** I believe that.

**Dan Breslin:** 16, maybe.

**Spencer Hilligoss:** Yeah, it might have actually even been 14.

**Spencer Hilligoss:** Think it might have been 14. I think it ended up being like around like a 23% irr.

**Dan Breslin:** Nice.

**Spencer Hilligoss:** Yeah.

**Dan Breslin:** I I coined a phrase called delusional optimism.

**Dan Breslin:** Delusional optimism is probably what a lot of new investors think they're going to get in right. Some guy wants to give you 5 grand to get in a deal, and he thinks you're going to pay them back 100 grand in 3 years. That's totally delusional.

**Dan Breslin:** In my context.

**Dan Breslin:** I don't do the deal unless there's a hint of delusional optimism in my mental underwriting. I do not count on delusional optimism, and us getting lucky

**Dan Breslin:** to invest and hit the return. So if the projected returns are 14

**Dan Breslin:** that better be conservative, and there's no delusion in there whatsoever. I'm not delusionally optimistic in 14 on our self storage deal that I'm building right now.

**Dan Breslin:** We have a 36 month exit.

**Dan Breslin:** It's fast.

**Dan Breslin:** That's why I'm in the deal. It's fast. And the the last one that was built was exited at the top.

**Dan Breslin:** Brand new class A, sold to a reit at certificate of occupancy. So it closed at 13 months, completely vacant. They had to throw $80,000 worth in signage. They had to yank it back off the building and put it in the trash.

**Spencer Hilligoss:** Hmm.

**Dan Breslin:** But they got their 190 or 210%, you know, return, which was like an irr of 89 or something like that in 13 months, and they had to like push the closing back so that they would have long term capital gains on the deal. They had to delay the closing to sell the vacant storage facility. So my delusional optimism right now is well, Trump's in office. If we can get the tax

**Dan Breslin:** package, push back through and call sag and bonus depreciation, which are the tax benefits that may come with some lp deals. If that comes back into play, and we get a few interest rate reductions while we're under construction through 2025. My delusional optimism is, maybe we have a 13 or a 15 month exit, and we get our chance to get our money back really fast. But.

**Spencer Hilligoss:** Yeah, yeah.

**Dan Breslin:** Out. I don't care if it's in there 5 years or 7 years, and we have to like run the deal full cycle

**Dan Breslin:** and build it out. I also invested because it's Lawrenceville, Georgia, was why I joined the team. I'm on both the Gp. And the Lp. There. But Lawrenceville, Georgia, is a very

**Dan Breslin:** solid, probably one of the best Atlanta markets for single family houses and development. That kind of thing. So there are like a lot of other reasons. I went into that deal, but pulling the trigger, I'm looking for some way to get a little bit lucky like you guys did right, hey? The the lucky factor brought you 23, because there's a flight to safety. And these cap rates are like amazing. And someone's taking negative leverage to get the deal done.

**Dan Breslin:** One other delusional optimism example I would give would be, you buy a warehouse in Texas, and Tesla announces nearby that they're moving, and so someone pays you 2, 3 times what you paid within like 2, 3, 4 years. You had no idea that that could happen. But if your thesis is that you're bullish on industrial property, the way that I am long term because

**Dan Breslin:** of onshoring and just the e-commerce, the need to store things like it's not going away, and I think, in fact, with the tariffs and things of that nature, I believe we still have runway in industrial, but that would be my final example of delusional opposition. That's where you get lucky right? It's like, Oh, my gosh! He bought this thing in New

York, and he bought it for 4 million. He sold it for 14 million. Well, that was not a cash flow deal.

**Dan Breslin:** That was. Prada wanted to own that property for their flagship location something like that. The developer needed it

**Dan Breslin:** for the air rights to build the other 42 stories of whatever he was building. And so they end up making this, you know, outsized gain. You're never going to have that luck of the market if you don't get into the market, though.

**Spencer Hilligoss:** Completely agree. I appreciate you sharing those stories, though, Dan. I mean the delusional optimism

**Spencer Hilligoss:** like one of the, I think, more consistent themes. If I look back at some of the deals that have hit some headwinds that are, you know, take out the interest rate, risk from the past 2 years, which is severe, but like the other ones that have popped up. I was just talking to one of our new members who was thinking about going and investing and buying some rentals and in markets that I like, but they've also been taking it on the chin when it comes to insurance spikes.

**Spencer Hilligoss:** Insurance costs

**Spencer Hilligoss:** property tax costs like these are things that I think on pro formas. If I look back at some self storage that we did in Texas and other places back in like 2020.

**Spencer Hilligoss:** I would love to have

**Spencer Hilligoss:** pro formas going in. Now this is what I told him. I was like, you need to

**Spencer Hilligoss:** put some multipliers on escalating insurance premiums. You need to put some multipliers on escalating property tax costs depending on the market that you're in, and if it happens to be that it doesn't get to those levels.

**Spencer Hilligoss:** Then that's wonderful. That's upside like, if throughout the life of that deal, if 3 year 3 year 5. It's actually not going up that high. Oh, my gosh! That is amazing, tailwind! And

**Spencer Hilligoss:** but if the deal pencils and you've already got those in there, and the costs are escalating you still like that deal. Then go for it, man, but in the end it's not fun getting bit by having a deal where you're like. Wow, okay, how come that property tax spike in Dallas was not exactly forecasted as aggressively as we as we thought it should have been. You know.

**Dan Breslin:** 100% 100%. And most most of my friends who are operators

**Dan Breslin:** are forecasting that way with that build in stress test the way you're talking about. Oh, it's a 1.5 multiple here by year, 2, 3, and 4 in the spreadsheets that they're doing internally, and maybe their projections are more along the lines of what deal you said was a home run in 24. They're saying, Hey, this is going to be like 1415. One of my friends did that.

**Dan Breslin:** His building he got lucky.

**Dan Breslin:** I can't remember. People are for 15 million or 30, and sold it for 30 or 60, but whatever it was, he doubled the property, and it was a significantly sized asset, because I believe, if I'm not mistaken, it was like some buyer wanted their headquarters there. They like took it with the occupant. It was leased out, but like he got lucky on that buyer. So the returns were like 34, 35% or something.

**Spencer Hilligoss:** Nice.

**Dan Breslin:** It was like. It was like a 2 year turnaround selling in 2023 or 24 like.

**Spencer Hilligoss:** That's incredible.

**Dan Breslin:** I'm an Odeo.

**Dan Breslin:** But if you were making your judgment based only on the Ir, the deal and say, 14 is terrible. Man. I don't quit anything that's not 20. Well, is it 20? Or did the guy not put the stress test on there? So I bet, like you said on number one on the team and the track record number one and 3 on your deal. The the track record and the team may have achieved certain results, and they project one thing on the front end, and are like under promising over delivering. That's a good.

**Spencer Hilligoss:** Yes.

**Dan Breslin:** To be in, but it's hard for the uninitiated to really grasp that. If you're just looking at the

**Dan Breslin:** at the numbers, I think.

**Spencer Hilligoss:** Truly. Yeah, I mean, the one other thing, I think, has reared its head just to kind of talk about mitigation of risk on some of these spots

**Spencer Hilligoss:** on the team.

**Spencer Hilligoss:** you know, looking not only we talk about track record, we talk about the approach, but in the team itself.

**Spencer Hilligoss:** ensuring there's more than this is simple stuff, but really important, like, is there more than one Gp

**Spencer Hilligoss:** is there, you know? Is there a single person running that deal, and it's not the end. All it's like. I won't necessarily walk away from a deal. If it's just one person. However, it is so important to be able to ideally have some responsibilities distributed across 2, 3,

**Spencer Hilligoss:** or more individuals on a given sponsor team at the leadership level, not even talking about the fact that they've got, you know, if they're more, if they're not an emerging brand new sponsor. Hopefully, they've got a financial person in their staff in their company, a controller, a Cfo. My goodness, that would be a role that I would right now I am a stickler for that stuff, you know, because if they can't produce clean, legible financials. I mean, that's a deal breaker right now, you know.

**Dan Breslin:** 100%. Yeah.

**Spencer Hilligoss:** Like we were. We were getting really close to working with a storage sponsor the other day. A really great team, you know. Just good good guys, and I like them a lot. But

**Spencer Hilligoss:** my heart sank when I looked at all their doing my due diligence. I was looking at the financial property by property.

**Spencer Hilligoss:** good looking assets, good looking markets.

**Spencer Hilligoss:** And then I look at the pro forma for a fund. And I was like.

**Spencer Hilligoss:** you know, I'm not the guy that's so uptight that it's like, Oh, they've got one font type here. It's Helvetica on page one, and it's roboto on page 2. Therefore I'm going to walk from this incredible deal.

**Spencer Hilligoss:** but it has to be legible, you know, and it has to be like at least you have to follow the story of the business plan as translated through a spreadsheet. And

**Spencer Hilligoss:** I couldn't really do that. And so, looking at the team, can the team itself and that Gp team produce just good financials, you know. Do they have some shared responsibility hopefully across multiple individuals? Because sometimes you've got, you know, leader visionary, maybe you've got a person who's ultimately Cfo. Maybe you got a person. If they do heavy value, add or they do new construction. Maybe you got a construction expert. You've got that deep expertise on the real estate front.

**Spencer Hilligoss:** But but we we go a lot deeper on that front. Now, I think, with that team, just just to ensure that we know that if one person God forbid!

**Spencer Hilligoss:** What if they get hit with a terminal illness, what if they get hit by a bus, you know, like life happens. And you don't want to have this floating large tens of millions of dollars deal or fund sitting out there without a person to be able to steer the ship.

**Dan Breslin:** I'm a little nervous in some of mine on that lack of redundancy, but we'll knock on wood and.

**Spencer Hilligoss:** Yeah, me, too.

**Dan Breslin:** I digress are there one or 2 other underwriting of the deal from an Lp perspective tips, tricks that you could share here before we get to our wrap up section.

**Spencer Hilligoss:** Sure, you know, I think we'll do one that's more qualitative. And then one that's just firmly more quantitative and firm, you know. 1st and foremost.

**Spencer Hilligoss:** I call this thing failure response. You know, we talk about track record. You want to see full cycle exits, of course.

**Spencer Hilligoss:** Now I get more nervous than if I'm talking to a sponsor, and they have a perfect track record, and they've never been through some form of professional meat. Grinder, you know, not to be too grim with the, you know the figurative talk here, but like if they haven't been kicked in the teeth

**Spencer Hilligoss:** entrepreneurially.

**Spencer Hilligoss:** and they can't. If I ask him a question like, Walk me through a time that a deal didn't go. Well.

**Spencer Hilligoss:** what happened? What'd you do about it? How'd you navigate it? How'd you communicate with your investors who want to show me an example of how you did it? You know.

**Spencer Hilligoss:** That gives me immense pause, because in the end.

**Spencer Hilligoss:** Everyone's got a plan until they get punched in the face, as the Mike Tyson quote goes.

**Dan Breslin:** Yep. Yep.

**Spencer Hilligoss:** I have yet to be in a single deal, or something crazy doesn't happen in some way, and what matters most is even keel

**Spencer Hilligoss:** confident judgment.

**Spencer Hilligoss:** and at the moment that a person is hit with a new scenario that judgment's going to be compromised. So like, I just want to make sure that they can actually like I sit there. And I, you know, I kind of test for that. And we're just getting to know each other when I'm talking to a sponsor. It's not like a hardcore job interview, but it's an interview all the same, both ways. And so that would be one of them. The other one would be.

**Spencer Hilligoss:** I mean, clearly, we have to talk about like the financial structuring of the deal, you know, we always make sure. Okay, are the fees that are involved.

**Spencer Hilligoss:** just, reasonable, and within market norm, can they be justified? Because, I think sometimes lps tend to go read, one blog, or hear one podcast and they say, I never want to see a single acquisition fee over 2%. And it's like, well.

**Spencer Hilligoss:** like any of the other, any other fee or financial incentive in anything in business. If it's justified.

**Spencer Hilligoss:** that makes sense right? If it, what if they're doing extraordinarily heavy value, add like a gut rehabs and stuff, and they're putting their some of their construction costs and their upfront costs into that acquisition fee. I don't know. I'm just bringing that up as a random example

**Spencer Hilligoss:** that could be justified. But of course, we want to see reasonable fees on acquisition. We want to see reasonable fees for asset management. And most importantly, we want to see that, you know there's going to be protections in there for lps, too. Is there a preferred return? Is there a split, a profit share or promote for the Gp. That is, incentivizing the right behavior to keep them motivated, to keep driving a great project through to completion, because in the end.

**Spencer Hilligoss:** you know, you don't want to have a Gp. Also that is not motivated by year 3 year 4 out of a 7 year hold period, I mean, that's not a win for anybody, you know. So sometimes, when people will say new lps will say, I can't believe the Gp. Is making fees. And I'm like, okay, let's just take a step back here.

**Spencer Hilligoss:** It is an immense amount of work to go find a deal. It is an immense amount of work to compete for that deal and put it in front of people so educating, I think.

**Spencer Hilligoss:** on how much work it takes to go and do. That is also very helpful, like front end to manifest that deal and nothing, and then to drive it through to completion. Aligned incentives, matter.

**Dan Breslin:** Yeah, I love that part about the profit share. and@firstst

**Dan Breslin:** So I'm in deals where the capital stack is receiving 30%.

**Dan Breslin:** And the Gp will be gaining 70%.

**Dan Breslin:** But that doesn't start until the capital has been 100% returned, either through distributions or through a refinance or a sale.

**Spencer Hilligoss:** Okay.

**Dan Breslin:** Right, then it's then it's 30 70

**Dan Breslin:** when you do the math on the exits, we're actually on the market that still is doubling your money. So an equity multiple of 2

**Dan Breslin:** when it goes well. So I've noticed that there are some operators who get these unique unicorns of a deal the one that I mentioned earlier, where the guy was 15, and he sold it for 30, or it was 30, and he sold it for 60, whichever one that was, that was a 30, 70 split 30% to the lps. And you know for you and I as an Lp investor. My God, that's horrible. How unfair is that? Is he out of his mind like. But that was a 35, something percent return

**Dan Breslin:** right?

**Dan Breslin:** you know, this guy's track record and his ability to select just the right project and execute on it that nimbly

**Dan Breslin:** that he's able to deliver these outsized returns with such a small percentage of the actual deal going to the lps compared to what I kind of prefer, which is an 80 20 split where it's more along the lines of private equity deal meaning, it's 20%

**Dan Breslin:** ownership. And that's what the Gp has is this 20% share. And then 80% is going to the lps. But, Spencer, sometimes you need to do the math. 2080, so that you're getting to this 1.8 equity multiple or 2. So the deal is not quite as much of a smoker

**Dan Breslin:** right

**Dan Breslin:** that the other guy did on the other end. So there's a lot more variables that could come into play into every single one of those deals. And me. And as I'm like reaching a new level of maturity and understanding, it's like, Okay, do you want 80% of a marginal, you know. Okay, deal where that works. Maybe maybe I do. Maybe I like the market that much. And that's exactly what I want or.

**Spencer Hilligoss:** Depends.

**Dan Breslin:** Some super small little slice of this smoker of a deal that's gonna go well, and it's gonna happen quickly. And maybe there's a refinance and get my cash back sooner, or there's other reasons why I do the deal like the tax benefits in there that got me into the the other one. So yeah, yeah, the 50 50 split the waterfalls. I mean, there's not really a 1. Size fits all.

**Dan Breslin:** at least for me where I'm gonna say, Hey, I'm looking for, you know, 50, 50, or better to the lps. I kind of do actually say that when I'm talking to people, maybe that's a bit of a negotiating strategy, and I'm writing larger checks to most lps. So sometimes I can get a Warren Buffett deal from some of the operators that may not necessarily be available publicly. Wishful thinking, I guess.

**Spencer Hilligoss:** No, that's great.

**Dan Breslin:** Cool. So let's shift gears here a little bit. You've had a very interesting path through real estate, and to the seat you're at now with Madison investing. So I'm curious if there are any book recommendations, one or 2, maybe, that are unique and not necessarily like, Hey, this is what we tell everyone who gets gets into real estate what have been interesting books that you recommended to people who were, let's say, in executive roles in the tech field. When they asked about what you were doing.

**Spencer Hilligoss:** Oh, man.

**Spencer Hilligoss:** I mean gosh! When I 1st got into it, I think I read something like 24 books in the 1st 18 months and way more than anyone needs to do, and I'm not a fast reader, but the the best book

**Spencer Hilligoss:** for me, not nothing to do with real estate is essentialism by Greg Mccune, and that book

**Spencer Hilligoss:** it arms you with the 5 ways to say No in service of

**Spencer Hilligoss:** higher priority, and also while keeping your social graces intact.

**Spencer Hilligoss:** and you know the the story as it goes in the very beginning, is like it opens up with the, you know, a guy in a delivery room is having a baby, and an executive is like having to duck out and take a call and be on a meeting right and.

**Dan Breslin:** Hmm.

**Spencer Hilligoss:** Everyone's got the same 24 h in a day. And so in the end, you know, that book was a real game changer for me, and I've gone through it 3 times at this point in my life, and

**Spencer Hilligoss:** it continues to to bear fruit every single time, because it doesn't feel good to say no to a coffee, or someone says, Hey, you want to come to Happy Hour with us, and it's like, Well, no, you don't want to be that jerk, but at some point.

**Spencer Hilligoss:** you know, there is a higher calling, and and you have to, you know, maybe in bursts, maybe for that one week, maybe for a whole 6 months focused sprint you're on. You got to find that time, man. So that that book really helped with with those tools.

**Dan Breslin:** Very good, very good. It was exactly the one I'm looking for. I like that crown jewel of wisdom

**Dan Breslin:** you're going back to? What was it? 2,018? Is your 1st Lp. Investment? You know now everything that has come from the last. What's that? 7 years or so? So what would be the crown jewel of wisdom you would go share with your younger self back in 2017 18, or maybe it's even way before that now, and you choose a different point, because you're trying to put a foot up. The younger Spencer's behind to do something a little different, knowing everything, you know. Now, what would that be?

**Spencer Hilligoss:** Yeah. 2 things very quickly, I would say on the real estate front, I mean fixed rate, debt or bust, you know. I think that's got to be that one

**Spencer Hilligoss:** otherwise more broadly.

**Spencer Hilligoss:** every one of us. I look back at career and corporate real estate, you know life, and beyond and approaching every real, every relationship

**Spencer Hilligoss:** is one that

**Spencer Hilligoss:** approaching. That is the long view of building something that can be lasting. And I mean that like, when you step into an office. You have a W. 2 job, your coworkers. You can be very transactional if you're not careful.

**Spencer Hilligoss:** and in my twenties I think a lot of people are very focused, very career driven very thinking about themselves.

**Spencer Hilligoss:** That's normal. That was certainly me.

**Spencer Hilligoss:** But man does there miss some missed chances just to kind of keep a relationship going. I mean, you know, not for profit, but just because the universe always kind of, comes back around and gives back to us, the more that we pay it forward. And I think that that is something that really really is helpful, regardless of the career path that people choose.

**Dan Breslin:** Solid. What information? Before I ask my final question. Where can listeners get more about? Maybe Madison investing, or you, Spencer.

**Spencer Hilligoss:** Yeah over at madisoninvesting.com. Folks can, just, you know, request an invite to to join our club, and they will have to talk to me, though.

**Dan Breslin:** Nice.

**Dan Breslin:** So my final question that I ask every guest on the show what is the kindest thing anyone has ever done for you.

**Spencer Hilligoss:** Oh, my goodness,

**Spencer Hilligoss:** Second chances.

**Spencer Hilligoss:** you know. I think that second chances are are gifts. And there's a mentor who I've worked with at 3 different companies.

**Spencer Hilligoss:** Got up with them last week, and you know, without going too long winded, I'll say, you know, I quit my 1st job out of college a year and a half after that I was making great money, and I did it because I wanted to go travel the world because I'd never done that.

**Spencer Hilligoss:** That's like as he, as he calls it. My E. Pray, love moment

**Spencer Hilligoss:** I had an absolute blast and went into a bunch of debt, and realized, after a good year of doing that, I was like, I think I need to go and get serious about life. And so he gave me a second chance, and that became a job where I

**Spencer Hilligoss:** went in as a customer support rep, making, you know, 8 bucks an hour, or something like that. And then eventually, within 5 years afterwards, I was running in an entire facility of 200 employees, you know, and like that was

**Spencer Hilligoss:** never would have been possible without a second chance.

**Dan Breslin:** Very cool. Had some of those myself over the years. Spencer. I really appreciate your time today. I got pages and notes. We took this in very unique place. I feel like it was my own Lp therapy session, where I've had my own breakthroughs during this very hour today. So I appreciate you coming on the show.

**Spencer Hilligoss:** Yeah, well, thank you for sharing your journey as well, Dan. I mean, you have so many stories and pieces of nuggets to tell. So thank you.