

**EPISODE 405**

[INTRODUCTION]

**[00:00:00] ANNOUNCER:** Welcome to The Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

**[0:00:24.1] WS:** This is your daily Real Estate Syndication show. I'm your host Whitney Sewell. Today, our guest is Maurice Philogene.

Thanks for being on the show, Maurice.

**[0:00:33.5] MP:** Thanks Whitney. Thanks for having me, I really appreciate it.

**[0:00:35.5] WS:** Yeah, I'm glad to have you on the show. A little about Maurice. He locates, invests and operates apartments, mobile home parks, and multi-family commercial real estate across the United States. He's focused on conscious capitalism, providing safe and affordable housing for fixed income, veteran, elderly, and other communities in need.

He also mentors aspiring real estate investors striving for financial freedom and lifestyle design and he has an incredible story he is going to share with us today and I'm looking forward to this conversation Maurice but tell the listeners a little more about who you are and let's dive in.

**[0:01:08.7] MP:** Yeah man. First of all, I appreciate you having me on, thank you so much. Again, my name is Maurice, I live in the Washington DC area, specifically in Maryland but just over the DC border. I grew up in Boston, was born in New York but grew up in Boston, ended up

down in the DC area because of University of Virginia. Just like most people who go to University of Virginia, got recruited to the DC area just for employment or what have you.

I've always been in the consulting space with the federal government for 22 years here and I'm still kind of doing it. You and I spoke a little bit, I'm on the military side as well, although I'm just retiring now after 22 years as well, and then specific to kind of what we're going to talk about, back in 2002, I started down this real estate path of wanting passive income and wanting to replace my active income with passive income and real estate fell on to me as the right way to do it and I've been on that path ever since and it's been on hell of a ride.

**[0:02:08.4] WS:** You know, where were you at in your career when you were turned on to real estate?

**[0:02:12.4] MP:** Yeah, I was 23 years old. I was buying my first place to live in the Washington DC area, just the simple condo in Alexandria Virginia. Just so happened to be at the beginning of the boom cycle that was back in the 2000s. I bought that condo. The place next door or the building next door with the same floor plan, sold for \$30,000 more a few months later.

Figured out what equity was in a conversation with my dad and then hit the library, read a bunch of books within a day and then by the end of the year I had bought 10 more because I figured out that I had pretty much, you know, created somebody's salary in one transaction and I wanted to figure out how to do it more. It was very young and I kind of stumbled upon it but it made sense.

**[0:02:57.9] WS:** You bought 10 more in one year?

**[0:03:00.3] MP:** Yeah. You know, how did you learn to do that? How did you make that happen, that seems like a lot. A 23 year old just getting into real estate, there was probably some hurdles there that were difficult to get through to make that happen.

**[0:03:10.8] WS:** Yeah, for sure. I think once you are focused on something, you'll get it done. You got to consider, I come from an immigrant family, we're all self-made to an extent. My father had just told me, "Hey, you made \$30,000 in one transaction," so I couldn't care less at that

point if I made a mistake going to go do it again because if I failed one or two times, no biggie, I would still make 30 grand on all the other ones, right? There was no podcast or anything back then and I didn't really understand what a mentor was back then.

My friends didn't know anything about it so I just kept going back to the library, renting out books, met a really good real estate broker, the one who sold me my place, she put me on to a broker who dealt with investment properties and that person just started helping me.

I just learned it trial by fire because I figured I just really needed to figure out what the space was. I just wasn't scared to do it.

**[0:04:05.2] MP:** At the same time, you were working full time as well, right?

**[0:04:09.2] WS:** Yeah, I was definitely working full time in the consulting space. I just entered the military as well. I think I just had my first son who was maybe two or three years old at the time and I just had this notion. I do recall having a notion that I didn't want life to always be about nine to five and once that event happened then I figured that there must be a way out kind of thing.

**[0:04:31.6] MP:** Yeah, I just like pointing that out because you know, people say, "I'm too busy to do a podcast," or "I'm too busy to get another property this year." You know, just like myself, you know, you're working full time, you had kids and in the first year, you were able to purchase 10 properties. I mean, it's very impressive, just being able to manage that right off the bat, just jumping in.

**[0:04:50.2] WS:** Tell me about your path though, the financial freedom and let's go through kind of your growth through this real estate business a little bit?

**[0:04:55.9] MP:** Yeah, it's been – now that I look back on it, it's been a beautiful path. When all that happened, I was 23 like I told you. I think right after 9/11, I deployed for my first deployment, left for a year and a half, almost two years. Came back but I kept up the real estate stuff as I was going the entire time. What I just told you about the single family, I just pressed repeat. I literally, I bought those 10 places, rented them out, self-managed which was crazy but I

kept buying and buying, and what ended up happening, I got somewhere upwards of 30, 35 single family homes.

At the time, I didn't know about commercial and we can talk about that later but I got to about 35 single family homes as far south as Fredericksburg Virginia, as far north as the Maryland Delaware line. Self-managed them all but I got fortunate in the fact that there was that boom cycle going. A lot of them increased on the equity side. I give myself a little bit of credit because I got smart and sold some of them off and what I did was take the equity from the ones that made fair amount of equity, increased the value and I then took my salary for my full time employment, combined them with rents and then I started paying of each property one by one.

What ended up happening is by the time I got to 2014 or 15, maybe a little bit earlier, I had a portfolio almost 20 paid off places and then that essentially eclipsed my active salary with passive income and then you know, that's kind of where the financial freedom started.

I recognized I had more passive income coming in than I had active income.

**[0:06:35.6] WS:** What a good place to be in, right? I mean, that's a fantastic day when you realize you've accomplished that, right?

**[0:06:40.6] MP:** Yeah, it was a good one.

**[0:06:42.8] WS:** No leverage. You had those properties paid for.

**[0:06:45.7] MP:** Totally paid off. I still own some to this day but what I realized later, after meeting people like you and getting more exposed to bigger and better is that the economy as a scale just wasn't there, and I mean, I'm grateful because I went through all those trials and tribulations a lot on my own but man, I mean, 14 years was just – you can imagine the grind to do those transactions, Whitney.

**[0:07:08.7] WS:** Self-managing.

**[0:07:10.1] MP:** Self managing, right. It was a pain in the butt.

**[0:07:13.3] WS:** While working full time, while having kids at home, managing your family. Yeah, that's tough.

**[0:07:18.6] MP:** Yeah, exactly.

**[0:07:20.0] WS:** You realized it was going to be hard to scale but then you learned about commercial real estate. Tell us about that a little bit.

**[0:07:24.6] MP:** Yeah, this is the beautiful thing Whitney, it had nothing to do with money, absolutely nothing to do with money. My exploration of commercial, it had to do with the fact that I had stopped growing as a person outside of typical professional life, you know what I mean? The investor in me, the entrepreneur in me, was just pressing repeat day to day.

That's where you start to realize not everything is about money, things are about the process. I went to one commercial real estate seminar, multi-family seminar. I think I was in the introductory seminar for five minutes, I walked to the back of the room, plunked down a bunch of money and said, I'm going to go to your boot camp.

I think two months later, I went to the boot camp, plunked down a bunch of money and entered their mentoring program. It was a fair amount of money but I am certainly glad I did it because since then, I've been on a tear with apartment buildings and mobile home parks.

**[0:08:19.3] WS:** Nice. Tell me a little about your business now, your business structure, and types of commercial property you're looking for?

**[0:08:24.4] MP:** Yeah, everything I do right now is essentially multi-family residential, whether it's apartment buildings or mobile home parks. I've fallen into that as well which – never expected to be owning mobile home parks. I really like the residential space because people need a home and I appreciate that introduction. You mentioned the conscious capitalism part of it. There are many ways to make money.

I still work actively. I'm a restaurant owner as well and I do some other things. I love being part of people's solution of where their families are going to live, one way or the other. You know, that conscious capitalism statement that I've made before was because mobile home communities are typically fixed income communities. Where I'm buying an apartment building in Atlanta right now is a fixed income community, I can impact those people's lives. I really want to continue to invest in spaces where I know I'm having impact on somebody.

That way I'm going to sleep feeling good about what I'm doing, plus building legacy for myself and my family. You know, the ability to give back in the future. I call myself an aspiring philanthropist. I expect to give back.

**[0:09:35.0] WS:** I know there's listeners who can relate to wanting to transition from say single family to commercial real estate and you talked about finding that mentor and could you just elaborate like the importance of having that mentor and some guidance and would you recommend that to everybody else?

**[0:09:50.1] MP:** Yes. The reason it took me 14 years to become financially independent on the single family side is because I did it myself. The reason it has taken me three years to execute on 10 plus, 50 to 150 unit buildings in the multi-family space is because I had a mentor. Because that mentor showed me what to do, what not to do, and more so than the day to day semantics of actual transactions, that mentor helped me break down limiting beliefs from the beginning.

When I started with him – his name is Craig. I won't put his last name out there but when I started with him, he recognized something in me and he said, "Hey man," – he lives in Rhode Island. He said, "Hey man, I'm going to fly down to DC and I'm going to come spend a couple of days with you." I was like, "Cool," so I cleared out the calendar, we spent 16 hours together, two days straight together and it had nothing to do with how to execute on a real estate transaction.

It had everything to do with why, I guess, mentally, I didn't think that I should be doing big real estate deals, mobile home parks, why I didn't think I could go out and get an eight-million-dollar loan, that was actually secured by a building and not even secured by me as an individual.

Having a mentor is everything because they can guide you and even if the mentor is not 100% correct, it doesn't matter.

That person, he or she is going to push you forward one way or the other, and then as you grow as a person, that particular mentor – I'm not working with him now, because I had now grown into a different investor and more importantly a different person, right? I'm working with somebody else who is more in line with my life values at the moment.

But what I have accomplished in the past three or four years, there's no way I would have been able to accomplish that had I not had a mentor on my team.

**[0:11:36.8] WS:** I appreciate that and I've not heard of a mentor that actually has come to the mentee to spend that kind of time. That's incredible.

**[0:11:43.4] MP:** Yeah. It was definitely a good one for sure.

**[0:11:45.9] WS:** So then, moving past, you know, obviously you had the mentor, tell me about the growth of your business and how you structured it so you can continue to grow and to manage it like you have?

**[0:11:55.5] MP:** Yeah, again, it has transitioned from single family into the multi-family space. I am doing apartment buildings that are usually between 50 units and a 150 units, but although we're looking at a 200 unit right now. I am not interested just from a personal perspective and building a huge business and a huge brand, that's not what I'm doing.

What I'm doing is creating additional passive income flows so I can go live life the way that I want to live and I mentioned to you that, you know, you and I have been trying to connect for a while, the reason we haven't connected is because I'm constantly traveling and experiencing the world and what have you. I leave for Bali Indonesia today for a couple of weeks to go live.

My business is structured such that I am partnered with different teams all over the United States. I have active transactions right now, Atlanta, Tennessee, Texas, and Maryland, right?

Each of those deals are just different groups of amazing people that I've been able to connect with.

That's kind of how I wanted to structure my business, kind of leave it loose, create additional passive income flows such that hey, once those transactions were all settled and you kind of institutionalized those processes for each of those buildings, it just adds another stream of passive income and an asset for your legacy in the future so you can make decisions down the road.

But I've never done it to build some kind of big business, brick and mortar, being in the office. I never wanted to create another job, I wanted to create freedom which is what I've done.

**[0:13:25.7] WS:** Tell me about how you've connected with these team members and all these different places and been able to build really businesses with them and trust them and know that that's how you're going to grow this business and that's great. I mean, it's a team business no doubt about it but how have you structured that and how did you meet these people?

**[0:13:42.6] MP:** Yeah, the process is murky. I would say that I probably spend in my non-active professional life, non-active income professional life because I still technically work, I probably spend 70 to 80% of my time networking by far. Because I just want to be with the right people. Man, you can learn so much even – I mean, by talking to people of course but just osmosis.

That thing that we hear from podcast and reading books, you are the average of the five people around you. That is completely true. I have gone to real estate conferences, REI meet up groups or real estate investment meet up groups. I've spoken at conferences myself, but I've also gone to lifestyle design events that have nothing to do with real estate at all. They had to do with how do you structure your life, to live life to the fullest while we're young. I'm not waiting till I'm 65 to do all the things that I want to do, right?

If you dedicate time to actually networking and connecting with people in meaningful ways and learning about them, you're going to find partners who want to do different things and that can be real estate, some of the restaurant stuff that I do, running partners, traveling partners, what have you.



Last night, I was talking to a friend of mine, he is not in real estate but he likes the way that we are always talking about life and he just said that he wanted to invest in a deal. Everything is about networking. I have done a really decent job networking and connecting with the right people. I do not want to be part of groups where I do not have similar values like let's say people are just chasing a million bucks or two million bucks, they want to throw it in the bank and that's just not who I am. So if you can network with likeminded people that is how all of these loose networks have come up and these teams.

And then you do a deal, it works out well. You help people with their life goals and then you come back together and you do it again and many of those groups, this is two or three times over we've done a deal together.

**[0:15:37.6] WS:** So you mentioned 70 to 80% of your time is networking. I think that is worth saying again because it's so important. It is a team business and if you are not out networking, if you are not putting yourself out there and meeting people and letting people know what you are doing and what you are up to and helping them accomplish their goals as well, you're just not going to get very far.

**[0:15:57.1] MP:** That's exactly true and you said business is a team sport. Business absolutely is a team sport but life even more is a team sport. We just can't do this crap on our own and to be honest, it ain't fun. I would rather have a successful transaction, a successful trip, a successful spending time with my kids with people than I would doing it on my own. So the more I can meet likeminded people man, the happier my life has become.

Those 14 years that I was talking about, I am glad that I did it Whitney but I would never go back to self-managing and doing everything on my own and my only "friends" being the books that I was reading but that is not the way to do it.

**[0:16:37.4] WS:** Maurice what's been the hardest part of this transition or commercial real estate business for you?

**[0:16:42.7] MP:** I think it is what I've said before Whitney, it is the limiting beliefs that for some reason, I am a single family investor, that is what I always did and I think you can relate with this but as soon as something hard started happening on the commercial side or on the multifamily side, mentally you always revert back to what you know. So I would be like, "Man that thing is terrible. I am just going to go back to doing single family because I know how to do it."

It was just getting over the limiting belief that it wasn't supposed to be me. It's not supposed to be Maurice, this kid from inner city Boston who thought sports was going to be the way out and all of that type stuff. No, actually it is supposed to be me and it is supposed to be everybody else who wants to do this stuff. It is just upon you to decide that this is the way that you are going to go and now, three or four years into it, I cannot imagine spending three months doing a transaction on one door.

When I can spend three months doing a transaction on a 150 doors. It just doesn't make sense at all but your mental switch has to flip over for you to get there. That's been the hardest thing that I've made that mental switch.

**[0:17:48.3] WS:** Wow, yeah and you know people have this thought about this: the commercial real estate business is so difficult. It is going to be difficult to make all of these things happen but ultimately, I couldn't agree with you more. That limiting belief is like you got to get past that. That sticks so many people back here and they're stuck. They can't get past it but I think that is where your mentor played a big role like you said.

**[0:18:08.0] MP:** Yeah, he played a huge role and that got me past that sticking point and now, I am trying to do the same thing for other people and helping them realize – and it does not have to be multifamily. It doesn't have to be real estate. Just whatever people want to do in life, you can have an extraordinary life if you choose to do it and then you push hard, creating time to focus on it. People always ask and you were asking about where did you have the time?

Because you know, I am still doing the consulting full time. I mentioned to you I was a street cop full time at the same time as well, where did you have the time to create your portfolio of real estate or your business life? Well because I got my butt up at 4:00 in the morning and I worked

from 4 AM to 6:30 AM before the gym and then I would go to work all day and then I would come home, spend time with the kids and then I would work again from 7 PM to 10 PM.

So you can create 30 to 40 hours a week if you want to. It is just a choice. Trying to get people to that point of just choose what you want, get over that limiting belief and get it done and then your life can become extraordinary or whatever you want it to be.

**[0:19:13.6] WS:** So Maurice, how do you prepare for this potential downturn that everybody is talking about?

**[0:19:19.6] MP:** Yeah, so in all my real estate dealings per se and even business dealings, I am somewhat – I underwrite conservatively. I am not an appreciation investor. I don't need to be and by that, what I am trying to say is I focus on the income aspect of real estate and passive investing, when you have passive income that is coming in you can weather any storm. When you are writing a property red and there is very little margin on that property because you believe that property is going to appreciate by \$2 million, maybe it will, but when the downturn comes you are going to be in a world of hurt, right?

That is how I have weathered the storm now is by focusing on assets that generate actual income. Usually when I am buying assets, I am buying them with the intent of keeping them for the very, very long term. I could make more money by doing a whole period of five to seven years. In some cases I do for investors but I would actually rather hold onto an asset as long as I can.

Keep it for the benefit of my family and my investor's family in the future, benefit from that passive income and then go live life to the fullest because that is what we are here to do. So when the downturn comes, I am in a very good position because probably 98% of my portfolio focuses on passive income where two to 3% of it is related to an asset appreciating, which is very rare for me. I'd rather do the former.

**[0:20:48.6] WS:** What is a way that you have recently improved your business that we could apply to ours?

**[0:20:53.1] MP:** Systems and processes and I do talk about this quite a bit and I kind of stole – not stole, I kind of learned a lot from the Tim Ferris's of the world and virtualizing your business. So I don't receive physical mail anywhere. Everything comes into our Earth Class Mail. I can access my mail or access the mail from my businesses no matter where I am in the world. I can leave all of my properties and business ventures alone for four to five weeks.

The processes are strong enough such that I wouldn't have to look at them for four or five weeks if I am out floating around in the world like I do. So I would say the way that you can improve your business is virtualize it, make sure that those processes are such that the business can run itself for a while without your intervention. Get out of the business, stop being inside the business and work on the business. The other thing that I do is I leverage virtual assistance.

I have two now. One virtual assistant takes care of life related things and my CRM and staying in touch with people and then the other virtual assistant takes care of financial transactions for me. Again, it is taking myself out of the business such that it can operate itself. That is one way that I think that people's business can get much, much better. You can go focus on growing as opposed to focus on the day to day operations.

**[0:22:12.1] WS:** And is Earth Class Mail is that a business or service that does that for you.

**[0:22:16.5] MP:** Yeah, Earth Class – I mean there is many competitors. Earth Class Mail, iMail, it gives you a PO box or a physical street address but everything to include my personal life goes somewhere that has nothing to do with my physical home and then if you actually receive a package that you want, it can be forwarded to you but every check, every letter, every parcel is coming into an interface and I look at it maybe once or twice a week. I don't want to see mail for two or three weeks at a time.

**[0:22:44.1] WS:** So they scan it and then you can see it virtually.

**[0:22:46.6] MP:** Yep.

**[0:22:47.1] WS:** Nice and so what is your best advice for caring for investors in a way that they want to come back to the next deal?

**[0:22:54.5] MP:** Yeah, so understand what their goals are. I constantly ask investors that question because some investors are appreciation investors and they want to make as much money on a deal as possible. Some investors are passive income investors and they want to see cash flow coming in. If you could ask your investors what their goals are you can structure the deals appropriately such that it is taking care of them.

It also takes away miscommunication between you and the investor because if I am trying to keep a property for 10 years but they want to get out in three years and we haven't talked about it that is a really difficult thing. So that is one way I try and take care of investors is sit down with them, speak about what their goals are. It may not be a match. It maybe that a deal that I am working in is not the right deal for them or they are not the right investor for me because we don't have a likeminded goals but that is the one way that I take care of them is making sure I understand what their goals are.

**[0:23:47.7] WS:** What's the number one thing that's contributed to your success?

**[0:23:51.4] MP:** I am not scared of anything. I am not scared to fail. I am not scared to try something new. I am not scared to go out and get an \$8 million loan. I will study-study-study. That story I mentioned to you about me going to the library when I was 23, I think fundamentally that's who I am when I find some sort of new challenge, I'd be like, "Oh" and then I will go find the expert or go find the podcast.

Like I have listened to your podcast a bunch of times based on the subject matter of the interview. I am not scared to try anything. That is why I got into the multifamily space, that is why I did the single family. That's why I become a street cop. That is why I am still in consulting. I got into the restaurant business. I will try something new in the future because we are constantly growing as people and we should constantly grow as people. Whatever the next challenge is for me, I am not worried about doing it whatsoever, I'll jump right in.

**[0:24:47.2] WS:** Well you and I have a lot in common and military and police experience and all of that and I want to say thank you for your service as well but I want to say or ask you, do you relate your military and police background and training, any of that to that drive and just the fearlessness?

**[0:25:03.9] MP:** Yes, that is the short answer, right Whitney? Because if you deployed in any aspect or if you have been a federal agent like we have or a street cop or whatever, you have been in situations like I have been in situations in the middle of the night where we will get a 911 call and you run into someone's house because a mother with her two kids is calling about a burglar being in the house, we will get that person out of the house.

Or been in overseas environment that has been sketchy to say the least, right? The last thing I am worried about is a financial transaction as long as I am educated on what that is. The real difficult stuff in life is the life or death situations you may be in. Once you get over those things and you understand how to attack them, nothing else is going to worry you whatsoever.

**[0:25:45.3] WS:** And tell us how you like to give back?

**[0:25:48.4] MP:** So I am a man of service like I mentioned to you. I served in the military for 22 years. I became a street cop for 12 years. Now, I am spending a lot more of my time mentoring so that's what it is now Whitney, is I am spending – and I love it actually. I think that people want to live life in different ways. They don't know how to get out of the rat race. They don't realize that passive income is the most powerful tool in the world because passive income creates time. Time wealth is the most valuable asset that exists in this world.

Warren Buffett, Bill Gates, Steve Jobs, no one can create time, no one, right? It is just ticking, ticking, ticking, but passive income frees it for you so you can go do other things. The biggest thing that I am doing now by asking and being very grateful to someone like you for letting me on their podcast and other podcasts is expressing to people if you can create just a little bit of passive income you can create time to go live life the way that you want to live.

So that is how I am giving back now. I actually never told my story much before this past year or so and I have been starting to tell it and I spent a lot of time just talking to people about ideas on

how they can improve their lives and go travel. I am on my 96<sup>th</sup> country now. Go travel, live well, take care of your family, be respectful. Passive income is a massive tool and if you can leverage it, your life can be a lot better. So I love mentoring now. So I have shifted from service more towards mentoring in the space.

**[0:27:21.5] WS:** Well great show Maurice, I am grateful that you are sharing your story now because I know some of the listeners including myself can relate and learn from you and from what you have accomplished and congratulations to you in making that happen and even helping us to focus on getting past those limiting beliefs that held so many people back and how you manage to do that but tell the listeners how they can get in touch with you and learn more about you?

**[0:27:42.7] MP:** Yeah, actually listen Whitney, thank you for giving me a platform to even tell those stories and to give people a sense of the art of the possible on what's out there. I love talking about this stuff so please reach out on – Instagram is the best. So it is just @mauricephilogene on Instagram and then I am also on LinkedIn at Maurice Philogene. I was thinking about having web presence Whitney but I have decided no, I think I am doing the right perspective for me and keeping it at a very low level.

Creating additional income flow and just talking with people in the background about how I can help them and how they can improve their lives. So Instagram and secondarily LinkedIn are the best ways to get in touch.

**[0:28:18.5] WS:** Awesome, that's a wrap Maurice. Thank you very much.

**[0:28:21.6] MP:** Thanks Whitney. I really appreciate it.

[END OF INTERVIEW]

**[0:28:23.6] WS:** Don't go yet, thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcast out there. You can also go to the Real

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[OUTRO]

**[0:29:03.6] ANNOUNCER:** Thank you for listening to The Real Estate Syndication Show, brought to you by Life Bridge Capital. Life Bridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Life Bridge Capital, making a difference one investor and one child at a time. Connect online at [www.LifeBridgeCapital.com](http://www.LifeBridgeCapital.com) for free material and videos to further your success.

[END]