

## Ep #182: Quincy Long - Next Level Investment Strategies



### **Full Episode Transcript**

**With Your Host**

**Dr. David Phelps**

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## **Ep #182: Quincy Long - Next Level Investment Strategies**

H. Quincy Long: Your IRA's for your retirement, not for right now. Somebody else's IRA you can use to make money for yourself right now by utilizing them as a funding source, if you understand what I mean. You need both in my opinion. You need to build money for yourself. You need to pay your future self first, as they say.

You are listening to the *Dentist Freedom Blueprint* podcast, with David Phelps. Navigating you through the uncharted waters of a turbulent economy with straight-forward advice to, transform your practice into a self-sufficient cash machine, compound your net worth assets, and multiply, multiply, multiply your passive cash flow streams.

David Phelps: Good day everyone. This is Dr. David Phelps of the Freedom Founders Mastermind Community, and Dentist Freedom Blueprint podcast, here with a really good friend of mine, someone who's been super important in my life in learning about so many different ways that I can be a good steward of the money that I've earned, the investments that I want to deploy in different forms and fashion, and particularly people know that, that I do a lot with real estate. Well, there's another level up in investing in real estate and we're going to talk about that today with my good friend, Mr. H. Quincy Long. Quincy, how are you doing today, sir?

H. Quincy Long: I'm doing great today, David. Thanks for having me.

David Phelps: Great to have you. Quincy, we've been friends for many years. We mix it up really all over the world these days, because we take a lot of fun trips with Financial Friends Network. You've been a big sponsor, promoter, and providing great service for our members of Freedom Founders, who have found the advantages of being able

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to be in control of one's own investments. Specifically today, we're going to talk about really who you are, and what you do, and about your company, which recently changed from Quest IRA, Inc. to, I guess, Quest Trust Company or you've got the approval.

We don't have to get in the nuts and bolts of that, but I know it's been a big step forward, and some things that you had to do regarding statutes in Texas, but essentially Quincy, you are the founder and president of Quest IRA, also known now as Quest Trust Company, based out of Houston, but with offices all over Texas now. You're a third party administrator for people who want to invest their self-directed retirement accounts and do so in a way that they have some control. Is that a good way to put what you do, or you might want to magnify that a little bit?

H. Quincy Long: Well, yes. We're a third party administrator now. When we do actually turned the corner and become Quest Trust Company, we will be a direct custodian, so that's just one thing that's coming up here real soon, but yes, basically we allow people to take control of their financial freedom by allowing them to invest in real estate and other things that I'm sure we'll talk about, in their IRAs. Also in your HSAs and Coverdell Education Savings Accounts.

David Phelps: Probably a lot of people have heard about IRAs, individual retirement accounts. People may have them, but a lot of people don't understand that they can actually take control. In other words, if you have an account with a bank, you can open an IRA account at a bank. You can go through a brokerage account like Fidelity, Vanguard, Schwab. Many ways to have that available, but there's limitations on the kind of brokerage account IRAs because they give us kind of a set menu of the

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investment types, the assets one can invest in. When a person actually takes control and can self-direct, actually choose from among a very wide list of investment opportunities, they need to use a different administrator or, as you said, a custodian. Maybe explain the difference a little bit between what you do at Quest for all the members like myself who have their self-directed accounts with you, and people who might have their IRAs at a brokerage house.

H. Quincy Long: Okay. Well, it's not really as complicated as it really sounds, because basically the Internal Revenue Code, which is where of course IRAs are under the statutes of the Internal Revenue Service, the Internal Revenue Code, does not actually tell people what they can invest in in their IRA and other accounts. I'm just going to use the term IRA though. Understand that I'm including individual 401(k)s, as well as HSAs, as well as Coverdell Education Savings Accounts. I just going to use the term IRA to make it easier, so it doesn't tell you what your IRA can invest in. It only says what you cannot invest in. The only two restrictions are life insurance and collectibles.

So, if you have anything other than life insurance and collectibles, you should in theory be able to invest in that in your IRA, but you have to have a firm that is used to handling the nontraditional type of assets such as real estate, promissory notes, trusts, LLCs, and that sort of thing. In order to do it, if you called Fidelity or Schwab up and said, "I'd like to buy a piece of real estate in my IRA." They'd say, "No, you can't." They'd be right, but not because it's illegal. Only because their account agreement doesn't allow that type of investment.

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David Phelps: Perfect. Perfect. I know we have a lot of self-employed people listening to us today, small business owners, professional practice owners, people that have their own businesses, and they may be set up in different types of entities. Some may be operating under a sole proprietorship, some may be an S corporation, some may operate out of an LLC, or even a C corporation today. Is everybody essentially, again, using your broad term, is everybody eligible essentially for some type of IRA account? Let's just start there.

H. Quincy Long: Well, you've got different divisions, okay? The traditional and Roth IRA, but everybody knows about those. Those are merely available to you just simply because you have compensation type income. Either W2 wages or self-employment income. There's no employer sponsor or anything. It's just solely because you're working in American, or you're married filing jointly with a working person that can support both his contribution and your contribution. So that's it.

Then we have the work plans which are the SEP IRA, the most common one for self-employed people. The simple IRA, and the individual 401(k) plan. If you work for yourself and you have employment type income, a lot of people get very confused when they're talking about the work plan, because they don't understand. They say, "No. I put money in the account." Well not really. The employer puts the money in the account. If you work for yourself, you can be both the employer and the employee, in essence, so the persons that you're talking about, the practice owners and stuff like that, because they have a business, the business, whether that's a sole proprietorship to C corp, an LLC or whatever it may be, can sponsor one of the three types of retirement plans.

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SEP, simple or individual, or 401(k), and so there's that. Then, the qualifications for the HSA, the Health Savings Account, and the Coverdell Education Savings Account are completely separate from those. So, a person could have a Roth, a traditional, one of the three work plans, a Coverdell for the kid, and the HSA. All in one person can have that. So, most everybody can qualify to have an IRA of some sort. If you don't qualify in any way, shape or form, then you can always inherit one or something like that, so most everybody can have it.

David Phelps: The benefits of having a retirement account are a couple, and one is to kind of the conventional. People think about tax deferral, tax deferral meaning your profits, your dividends, your interest compounds within that account without taxes being taken out on an interim basis like they would outside of retirement accounts.

H. Quincy Long: That's correct.

David Phelps: And, that can go on indefinitely, until which time if the account required minimum distributions, now the money comes out and then a person starts paying taxes as the money is distributed-

H. Quincy Long: Depending on the type of account.

David Phelps: ... depending on type of account. There are other accounts, and we'll name those, and you already did Quincy, that employee, both tax deferral and also a tax-free distribution component-

H. Quincy Long: That's right.

David Phelps: ... are the kind of the best of the best. Right? You get the tax deferral compounding, but as the money comes out

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and there's no tax to be paid. Let's go and name those again. What accounts would those be?

H. Quincy Long: That would be the Roth IRA, and of course there are requirements for qualified distributions. That's what we mean by a distribution is tax free, penalty free, no fuss, no muss. With a Roth IRA, you can get money out of a Roth 401(k) if you have one of those, and then of course the Health Savings Account and the Coverdell Education Savings Account for the right kinds of withdrawals are tax free as well.

David Phelps: The Health Savings Account again, as there's specific provisions that allow people to have those in place. We won't go super deep there, but you and I would say that that's probably one of the greatest advantage accounts if people have that available to them, because there's the the tax deduction with the money going in, with the tax deferred compounding of profits or gains within that account, and there's the tax free when you come out and you actually reimburse yourself for qualified medical expenses under, again, the IRS provisions.

H. Quincy Long: Right. And the nice thing, that is virtually the only account that exists where you get both the tax deduction going in and you can still pull it out tax free. So, if you qualified for it and don't use it to it's fullest, it's pretty silly.

David Phelps: Quincy, you and I also have a lot of friends that have been investing in real estate. Some people are more passive investors, some people are more active. You and I find that it's great to be around all kinds of people, because the financial friends, the networking, the relationships that are built, allows people to utilize investing from their own self-directed IRA accounts with



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other people, because one of the things that you are very quick to make sure people understand, and there's definitely some provisions need to be studied, but you can't do what's called self dealing.

H. Quincy Long: No, that's right.

David Phelps: You talked about two different hats. You're an individual and you may have your tax-paid money, and then you wear a different hat for your IRA, and you cannot commingle the effort. So, you need financial friends. Do you want to give a little bit more on that so people understand the difference?

H. Quincy Long: Sure. The easiest way to look at that, David, is that your IRA is for your retirement, not for right now, right? Somebody else's IRA you can use to make money for yourself right now by utilizing them as a funding source, if you understand what I mean. So, you need both, in my opinion. You need to build money for yourself. You need to pay your future self first, as they say, because that future self is still going to want to eat, and go drink beer, and do whatever you want to do. Play golf, or travel, or whatever. Let's face it. Just relying on social security isn't going to make it for you, so you have to save something for yourself.

I know it's so tempting in this day and age where we want instant gratification of everything to think, "Oh, I'll worry about tomorrow tomorrow." But, that's a congressional kind of view instead of a commonsense kind of view, because you're going to have to have money to retire. You can retire poor, live on social security, but who wants to do that? You have to set something aside for yourself, and you just get straight in your mind that your retirement



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account is for your future, and somebody else's retirement can be used to get tax money today, which you can eat on and live on and all that. That's the easiest way to think of it.

David Phelps: What's the biggest responsibility that you feel that people have when they decide they want to self-direct their investment accounts, and they move money to an administrator or custodian like Quest. So, they open the account. It's funded, either with contributions, or they move, transfer from another custodian because they hear about self direction. They want to do it. What's the barrier to the next step for a lot of people, Quincy?

H. Quincy Long: There's two things that I can think of that you've got to understand. The first thing is the account is self-directed, which means that when you opened the account, we're going to say, "Thanks for the money. Let us know when you need it to buy an asset." Right? We're not going to give you a list of assets. We're not going to say, "Hey, David Phelps need money. Why don't you call him? I think he's a good guy." Because we're not advisors. The self-directed part is you are the self, not Quincy, or Quest, is not directing the account. You are directing it yourself, so if you don't do anything, nothing happens. Okay?

That's the first thing they need to know. The second thing is there are some rules that they got to play by. Making sure that you, as you correctly stated earlier, don't do self dealing, stuff like that. They have to kind of have a basic understanding of the rules, who they can't do business with, and why, and pretty much those are the two things that we've got to get people to understand.

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David Phelps: So self directing requires a responsibility, requires somebody to be intentional about saying, "Hey, I'm going to take this capital, this money that now is in a self-directed account, and I need to be responsible for working it." Yeah. That's what we find at the events, and we're going to talk a little bit about about how people get started in a minute through a lot of the information that you have available, but also just finding good events where other people come and learn, get education, but also learn to build relationships. We talked about-

H. Quincy Long: Right.

David Phelps: ... yeah. Our biggest asset in life is the relationships that we have, and learning how to-

H. Quincy Long: How to network.

David Phelps: ... yeah. Network. Utilizing those is something a lot of people really don't understand, and when you get to kind of get outside the traditional world, and you find out that there's so many ways that you can take control and actually exert influence, hopefully in a positive way, if you use some due diligence and some smarts about how you do it, because there's some underwriting that needs to go into play here, but it puts responsibility on where it should be. On us. We don't want to rely on the government, as you said. We need to take responsibility for our own selves. The IRS government has given us this platform, the self-directed accounts, to go to work on and you can decide to be very kind of lazy with it, do little or nothing, or you can even take action. But that taking action takes some movement, takes some energy.

H. Quincy Long: I mean, even if you invest passively, for example, in one of your investments, you still have to take the activity of

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making a decision, doing the due diligence, and filling out the forms to get it sent to the right place. There's always some action, even if you're investing passively.

David Phelps: What I find is people who start to learn about the more active component of investing, their financial acumen just goes up overall in life. We see young people. We both have daughters, and getting them involved early where we may help them get set up with a Roth IRA account, but having them get involved in seeing what that looks like. It just builds the financial acumen, and I think serves people very, very well as they go on through life.

So many people work a career, a job, a profession for decades, and they may have, through discipline or through an employer, yes, they may have some amount of capital set aside, but now now they have no more active income, and now it's like, "Well, what do I do with this? How do I make it work? Well, I'm just at the mercy of the Wall Street, you know? It goes up, it goes down." That's not a very good feeling to be at in life, and if you learn early on how to take control and direct, I think gives people a lot more certainty, don't you?

H. Quincy Long: You certainly are the prime example of that. You had started investing while you were in dental school. That's pretty aggressive, and yet it's served you very well, I think.

David Phelps: It did. I took no economic or financial courses in school whatsoever at all. I had to come through self learning outside and people can do that. There's no question about it.

H. Quincy Long: The networking is the way you have speed of implementation, because if you get a good network,

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they've all made the mistakes that you're going to make if you don't do the good networking, right? Networking is critical. It is the number one tool. It's not a lot of money. It's not deal flow, it's networking. That's the number one thing for success in investing.

David Phelps: That's something that Quest does extremely well. You really help out your clients, your investors who have accounts with you, by intentionally setting up, well, just online. Let's just talk about what's available online through your Quest IRA portal. Talk to people a little bit about what they can go, just to get online virtually, to find out more information about how all this works and how they can plug in.

H. Quincy Long: Yeah, and the beauty of this is you're sitting there in your home, in your underwear, if you want to, listening to this stuff and nobody there pressuring you, or trying to sell you anything. We don't sell anything but our services of being a self-directed IRA provider. That's all we sell, so there's no investments on there that you can pick from or anything. It's just pure education. Right now our website, of course, is [www.questira.com](http://www.questira.com). That's Q-U-E-S-T-I-R-A.com. On there there's education tabs, and upcoming events tabs, and there's lots of prerecorded stuff. Articles that have been written if you're a reader type. I find the older people tend to read more than they do watch videos, but either way those materials are available to you on online, and nobody's going to try to sell you anything.

David Phelps: The live events that you host. Many events throughout Texas. You've got kind of a unique one coming up in just a little over a week in Dallas, where I live. I'm looking forward to being there. It's the expo. The Expo. Let's talk a little bit about what this event is about, what it looks like.

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It's still time for people that are certainly within hop, skip and a jump of Dallas might want to come over. What's that going to look like, Quincy?

H. Quincy Long: So basically, we have done a lot of different ways of presenting information. This is the first time we've going to have what we call an expo, and so we'll have about 30 vendors, and for two days we'll have speaking. You'll get education inside the room from listening to speakers. You can talk to the vendors and see what they have to offer. As you know, David, there's education inside the room, and education outside the room, and both are equally as important. I shouldn't say that because it makes me sound like listening to the speech is not important, but the truth of the matter is you get education both ways. If you think about it, these are people that are going to gather in this place that are interested. You go to a normal meeting, there might be a few people interested, but this is sort of pre-screened if you will, because people were coming because they're interested in networking with other individuals, and are interested in self-directed IRAs, and that's going to be August 25th and 26th in Dallas, as you say. You can find that information on our website, of course.

That's just one example. We have a number of other examples. We regularly have classes in our offices every Tuesday morning, and Wednesday from Dallas, and those are live cast over Facebook so you can watch those at any time. It's not as much fun as being here live, but you can. We have mixers, as you said. We're put on networking events. We have even an online bootcamp that we're doing as well later. I'm not sure that they ... But our events tab, we're always going to have all of these things, and besides all that we go and speak at other

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people's events as well, so you will see Quest everywhere.

David Phelps: Yes. Yeah. Well, it's a huge opportunity. Something that I know that you, through your efforts, Quincy, and Quest have really done a lot to help promote this opportunity to people to take control of their future investments, do them under tax deferred, or even better or tax deferred and tax free. Learn about those options. It's a great opportunity. We didn't touch too much on real estate. We could spend a lot of time on that, but you and I-

H. Quincy Long: I would love to, but I understand there's a limit on the broadcast.

David Phelps: ... but there's a limit on it. But the thing that I want people to understand is there are a lot of people that you and I both talked to them, that are very avid real estate investors, and still there's a percentage of people even in that arena that don't fully understand that virtually everything that they invest in real estate, they can do through their ... accounts-

H. Quincy Long: Exactly.

David Phelps: ... and again, the advantages that are there. So, I want to encourage people to get more information. If you're not sure how this works, or if you've just gotten started, or you've just heard about self direction and how this can be done with real estate, go to [questira.com](http://questira.com). Q-U-E-S-T-I-R-A.com. Go to [questira.com](http://questira.com). Plug in. Plug into some of the virtual training. If you're in the Texas area, or certainly Dallas in the next week on August 25th and 26th, the Expo, but many opportunities to connect. The top tier education, Quincy, the people that you are connected

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with, the people that you bring to your events to give presentations always talk to your people.

You know, I always say, "It just takes one great idea to walk away with from somebody then or something. One great idea or one great relationship and that's really all you need." If you're like me, you take pages of notes, but that's not necessarily the best thing to do. I think people should focus and just come away with a couple of things from an event, a good person they met, or a vendor, or an idea they want to go deeper on. If you do that, that compound effect will add up, and within a relatively short time people can become relatively astute about self directing and controlling their future, and that's what this is all about.

H. Quincy Long: It really is. Networking takes not only making the network but nurturing the network. You, David, had gone on a number of our Financial Friends Network trips. That's a separate group really, that me and Malt have offered, but nonetheless you've been on several. Not because you want to learn more about self directing your IRA, you already know that, but you're nurturing that network. There's a lot of people coming from all over the country to this expo. Many of them know a lot about self directing, but they still want to be there for the networking and the education.

David Phelps: What I find too, Quincy, is that people who have kind of already gone down that path to a great degree, they've kind of blazed the trail, they've learned a lot because they've been involved for a number of years. They really love to give back to people that are new and hungry for information.



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H. Quincy Long: Right.

David Phelps: But you'll find people that really, they're not there to pick your pocket. They're not there to sell you something. They're really there to show you the ropes, because we love what we do. We love to share the information that's getting.

H. Quincy Long: We do.

David Phelps: Again, prosper in their own regard.

H. Quincy Long: Yep. I certainly get out of bed and I'm excited to come to work everyday because I really do like it. The travel gets a little weary sometime, but other than that, I like telling people how to become financially free. How can you pay less taxes, or in some cases, no taxes using the government's own rules? We're not doing anything out of the, that's like gray or anything like that. The law is specifically set up to allow this as long as you follow their rules. I was ..., and need to get education on the rules, but as long as you follow those rules, it's just the most incredible tax-avoiding methods that you can do today. Was it Einstein that said compound interest, or something like that, is the most powerful thing in the world. I don't remember the exact quote.

David Phelps: Yeah. I think something like most powerful, or maybe he just called the eighth wonder of the world, or something. Very high level leverage point for sure.

H. Quincy Long: I wish we had time to show the spreadsheets, and see how quickly you could grow, but I think you get the idea. I think the point here is, let's get some more education and see what you can find out. I always tell new clients that say, "Well, what should I do?" I say, "Well, you know, get

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your toe in the water if you're not sure. I can guarantee you that you're going to have so much fun, assuming you make good investment decisions, of course, you're going to have so much fun that I know the rest of your money will come over and self-direct eventually. Don't dump everything in if you don't want to. Try it out. See what happens."

David Phelps: Great, great advice. Great advice Quincy. Just get started. Well, thanks so much for your time this afternoon, Quincy, and again, it's Quincy Long, [questira.com](http://questira.com). Definitely check them out if you're looking to find out more information about how self direction works. I'll tell you, they have a great team of people, many of whom I've known for many years, and they're great about answering questions where people get stuck. "Well, how do I open an account? What do I do? I've got an account somewhere else? How do I transfer it?" They've got all the information you need. Very, very easy to work with, so I'd highly recommend if there's something you'd like to go further with, check out Quest. Certainly if you have the opportunity to check out some of the events that they have posted on their website. So again, Quincy, thank you so much for being here with us today.

H. Quincy Long: Again, thank you David. Have a great day.

David Phelps: You too.

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