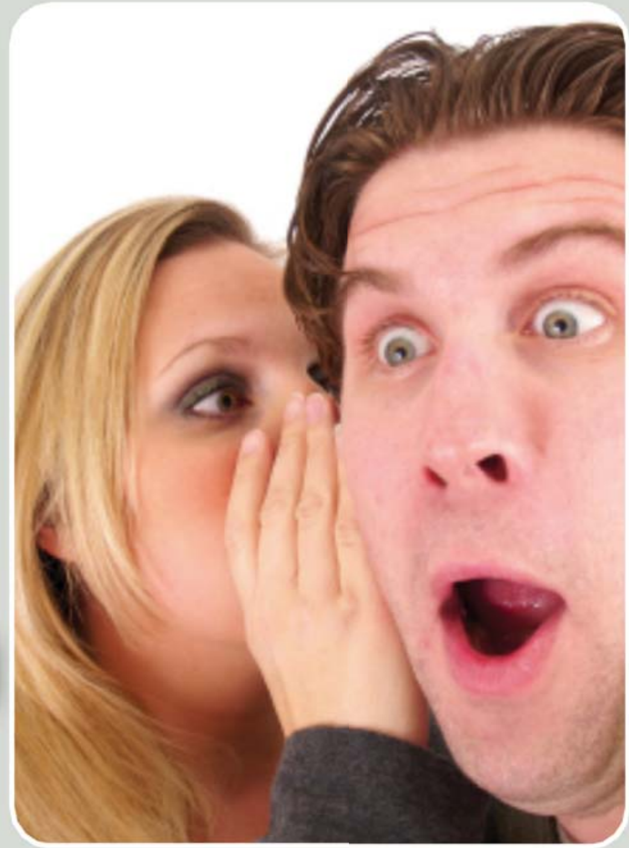
THE BIG UGLY SECRET



YOUR IRA\401K BROKER DOESN'T WANT YOU TO HEAR...

Since 1974, You are allowed FULL CONTROL of where you invest your retirement assets...and I'm not talking about the stock market...

Here is the secret:

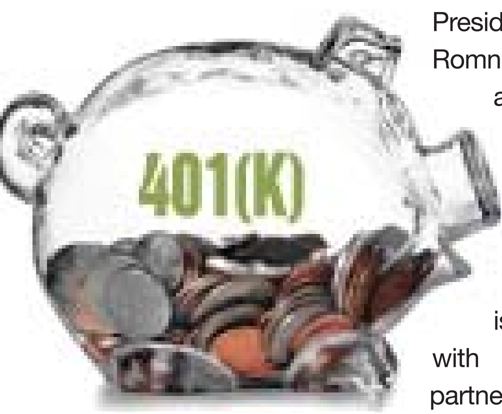
You don't have to keep your retirement money in a stock market product like a mutual fund or a stock or a bond!

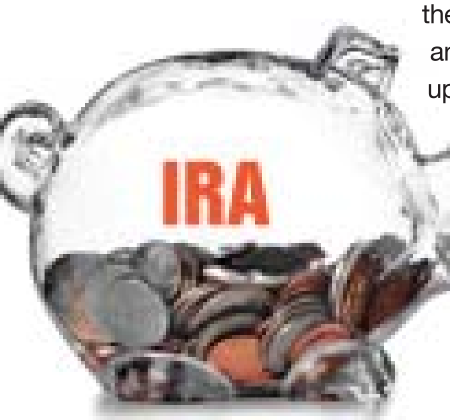
There, now you know the truth. You can hold almost any kind of investment with your IRA! That includes gold and silver, a home from a foreclosure auction, a franchise, private money loans, tax liens, small business seed money, an apartment complex, a strip-mall, or a duplex. This can also include buying an existing business or a high-rise building, a herd of cattle or farmland in Venezuela. The list goes on and on…

But why haven't we heard about this?

Because the brokerage houses that are holding your retirement dollars make their money from asset value fees, transaction fees, account maintenance fees, and ongoing commissions to the broker. Their business model collapses if everyone pulls his or her money away. Sometimes the brokerage houses don't allow your broker to know about it.

Mitt Romney keeps much of his retirement money in a self-directed IRA. According to the Wall Street Journal:





> Presidential candidate Mitt Romney has gotten lots of attention for holding as much as $100 million in his individual retirement account. Less well known is that the account is also chockablock with complex private partnerships rather than the traditional stocks, bonds and mutual funds that make up most IRAs. Following a decade of market turmoil, Mr. Romney isn't the only one wise to the fact that IRA rules allow enormous latitude in choosing investments.

Announcing the most popular IRA structure you've never heard of, perfectly legal since 1974.

I am sure your first question when you learn about self-directed retirement money is how can this be legal!?!

> *"IRA rules allow enormous latitude in choosing investments."*

In 1974 Congress passed a law that essentially passed the responsibility for funding retirement from corporations back to the individual. It was called The Employee Retirement Income Security Act of 1974, or ERISA. In 1975 IRA's were created to make this possible for individuals. The IRS code doesn't approve an ever-growing list of what assets can be used for IRA investment; rather they state what can't be used.

The list of prohibited assets is short: **Life Insurance**, **stock in a subchapter S corporation**, and **collectibles** like cars, rugs, wine, etc. We find more details about the prohibited assets in the Internal Revenue Code section 401. (IRC § 408(a) (3)).

The Wall Street Journal said it this way:

> "Although IRAs have been allowed to hold a variety of assets since Congress first authorized them in 1974, most investors opted for conventional stocks and bonds during the bull markets of the 1980s and '90s. They still do: The Retirement Industry Trust Association, a group of alternative-asset IRA providers, estimates that such accounts make up just 2% to 5% of the $4.6 trillion held in IRAs overall.
>
> Still, "virtually all of our members have experienced explosive growth in the last three years," says Mary Mohr, spokeswoman for RITA, which began tracking assets last year."
>
> "IRAs Get Sexier" WSJ 3-2-12

What kind of assets can I use to invest my retirement?

The “structure”-the IRA or 401k-is like a container, and your investments are the valuables you are holding in the container. The “structure” just determines how your account is registered with the IRS so they know how to tax you.

Common investments held in self-directed structures are residential real estate, commercial real estate, farm land, vacant lots ready for building, gold, silver, platinum, private mortgage loans, structured settlements, business franchises, small business ownership, mineral rights, gemstones, and even some stocks, bonds, and mutual funds.

Want to Self-Direct your IRA or 401k, but don’t want trouble with the IRS?

Trouble with the IRS is avoided as long as you can follow those 2-3 simple directions. The IRS is concerned with something called “self-dealing.” The concept is that only the IRA is to benefit from the IRA-owned assets. The point is you can’t use or benefit from something owned by the IRA. The definition for “your benefit” includes your direct relatives and their spouses. Direct means your kids or grandkids and their spouses (descendants) and your parents or their spouses or your grandparents or their spouses. (ancestors). If you can steer clear of actions that are “self-dealing” you will steer clear of the IRS. A good self-directed advisor will provide clear guardrails to keep you away from any IRS pitfalls.

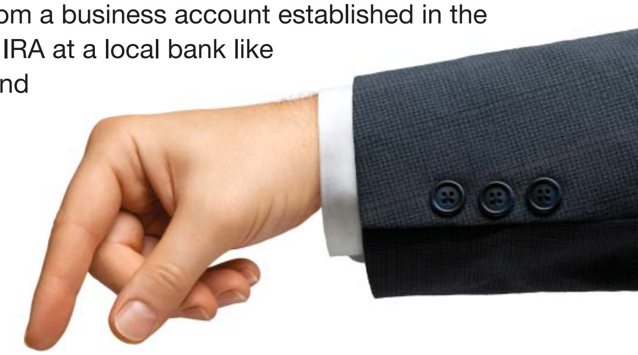
50 of our Self-Directed IRA’s have passed tax audits, isn’t it time for you to see what you are missing?

We know that this structure is sound, as proven 50 tax audits over, and none have had any challenges. If the structure is sound, and you can be aware of self-dealing, you can expect success, and no trouble from the IRS. If you have any questions about what might be considered “self-dealing,” a good self-directed advisor will provide long-term support to offer expert interpretation.

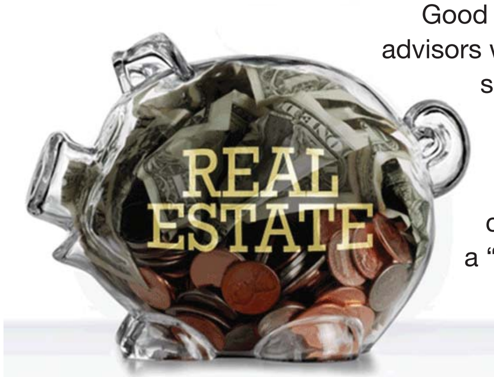
Looking for the Foolproof Self-Directed IRA or 401k?

Seems like new things feel confusing until we become familiar. And self-directed retirement accounts are definitely a new concept to over 93% of Americans. This is really a simple concept once you know the 2 or 3 things to avoid so you stay out of trouble. A common thought after you understand this is to wonder why you didn’t know about a self-directed program any sooner! You will notice that these work just like your checking account at the bank or credit union.

In a custodian account, you call and request money transfers to buy what you want. The custodian sends the money out. In a checkbook account, you pull out a checkbook from a business account established in the name of your IRA at a local bank like Wells Fargo and write a check to make a purchase.



We have found self-directed IRA\401k advisors that have established clear “guard rails” to keep clients on the road to retirement program success and away from those 2 or 3 pitfalls. If you can stay away from doing these 2 or 3 things, you are set.   Can you follow simple directions? Good self-directed advisors will offer lifetime support if the simple directions need interpretation. Even if you don’t consider yourself a “genius,” these programs are set-up for you



to succeed.

Why money invested in setting up a Self-Directed IRA is money well spent

Many baby boomers have been so decimated by stock market losses in their retirement accounts that they have given up on the idea of retiring at all. They tell me returns are so bad in their retirement accounts they have given up hope. They feel like this money is "dead to them." They think they will just work until they die.

The decision about setting up a self –directed retirement account should hinge on the value of your IRA. If the balance is $10,000, you will have to decide if investing up to $2,499 is worth it to free your money and put the remainder in a place where you have full control, ownership of something tangible, and offers positive returns. If you have $100,000, the opportunities for you make the decision seem simple. Do you want to continue to suffer with returns that can't keep up with inflation (bank CD's or money market accounts) or keep your retirement balance in assets that are paper based and are subject to the full risk of loss every single day in the stock market? There are quality alternatives. You aren't the first person to wonder about those alternatives.

The alternative asset market features assets that are tangible like gold or rental homes. Gold and real estate are the traditional offset against rising inflation. The alternative asset market also features assets that return cash flow to your retirement account. That is real money. This would include private loans secured by real estate or pension payments from large companies or from the US government. Resurrect the dead money in your retirement accounts. Get them back at work so their growth can provide for you to stop working in the future, retirement is

> *"Resurrect the dead money in your retirement accounts. Get them back at work so their growth can provide for you to stop working in the future, retirement is 'back-on' again."*

"back-on" again. To get your money away from the banks and from Wall Street, this is how you do it.

The question becomes "Is it is worth investing set-up money one time to open up unlimited opportunities for my retirement money?" For most folks, that answer is clear.

How to know if a Self-Directed IRA is right for you without generating a bill from your attorney or CPA

You might want to just keep your money you would have spent on the legal bill. You can quickly perform the necessary due diligence. We supplied the specific areas of the Internal Revenue Code that govern these programs.

Attorneys have no problem with self-directed IRA's. (Just don't be surprised if your attorney hasn't heard about it.) The truth is, if you advisor doesn't understand this, you might want to consider a more knowledgeable source. CPA's sometimes hesitate just a bit because they aren't sure how to handle minor issues that might surface such as unrelated business income tax (UBIT) and some other side notes to the matter. (UBIT only comes into play when you hold an asset that was purchased using a loan. The numbers show that depreciation and other expenses offset this.) We assure you, for the vast majority of clients, they are small side notes.

A good self-directed advisor can assist with the small side notes. Self-directed retirement is completely legal and commonly done for over 10 years. If you want to check some due diligence, the Internal Revenue Code (IRC) section 408 is all about IRA's. The IRC section 4975 is about prohibited transactions and parties to a self directed IRA transaction. If you want to look in to owning real estate with your IRA look at IRS.gov and look up publication 590.