

**EXPAND AND CONTROL
YOUR INVESTMENT
OPTIONS WITH AN
IRS APPROVED
SELF-DIRECTED
IRA LLC**

THE IRA FINANCIAL GROUP

Unlocking a World of Investment Opportunities
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1. Introduction

The IRA Financial Group will help introduce you to the Self-Directed IRA LLC "Checkbook Control" structure - a flexible retirement solution that will open up a world of investment opportunities with unlimited potential. e.g. Real Estate, Tax Liens, Precious Metals, Foreign Currency, and much more. This level of freedom might be news to you, but the IRS has allowed you to do all these things for over thirty years!

At the end of the first quarter of 2012, Americans held \$3.4 trillion in IRAs and \$2.3 trillion in 401(k) retirement assets, representing 1/3 of all household financial assets in the United States. About 50% of that amount was invested in mutual funds in 2008, which accounted for hundreds of billions in losses to those investors.

Less than 4% of Americans are taking advantage of this incredible investment Structure!

A. So how popular is the Self-Directed IRA structure?

The Self-Directed IRA structure is IRS approved and has been for over thirty years. There are approximately 2.5 million Self-Directed IRA accounts in the United States. In the last several years, the number of Self-Directed IRA accounts has grown significantly. The significant increase in the number of Self-Directed IRAs formed can be largely attributed to the poor performance of the stock market, the growth of the real estate market, the lack of liquidity in the small business loan market, and the increased media coverage by the Wall Street Journal, CNBC, The New York Times, Business Week, and some of the other major financial media companies.

B. So why aren't Self-Directed IRAs more popular?

Alternative investments such as real estate have always been permitted in IRAs, but few people seemed to know about this option - until the last several years. This is because large financial institutions have little incentive to recommend something other than stocks, bonds or mutual funds, which bring in extremely profitable commissions and fees for them.

C. Is this too good to be true?

NO - The Self-Directed IRA LLC "Checkbook Control" Structure has been approved by the IRS and the U.S Tax Court and has been used by hundreds of thousands of investors seeking investment control and diversification. With the Self-Directed IRA LLC "Checkbook Control" structure, you can invest in almost any type of investment, including real estate, private business entities, tax liens, precious metals and much more tax-free!

Note: IRA Financial Group is not a law firm and does not provide legal, tax or investment advice.

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2. The Self-Directed IRA LLC "Checkbook Control" Solution

A Self-Directed IRA LLC offers one the ability to use his or her retirement funds to make almost any type of investment on their own without requiring the consent of any custodian or person.

Tired of being forced to invest in stocks or mutual funds?
Have an investment opportunity, such as real estate or a business investment that you would love to make with your IRA funds?

Then the Self-Directed IRA LLC is your solution.



In addition to the tremendous IRA benefits (tax-free profits, tax deductions, asset protection and estate planning), the Self-Directed IRA LLC structure allows you to invest tax-free in investments that you know and understand. Aside from life insurance, collectibles and certain "prohibited transaction" investments outlined in Internal Revenue Code Section 4975, a Self-Directed IRA can invest in most commonly made investments, including real estate, private business entities, public stocks, private stocks, and commercial paper tax-free!

A. Do I need to ask permission to make an investment?

No - not with a Self-Directed IRA LLC. All investment decisions are made by you, as manager of the Self-Directed IRA LLC ("Checkbook Control") structure. It's simple - when you want to make an IRA investment, you write a check or wire funds directly from your IRA LLC bank account. All documents can be signed by you, as manager of the LLC.

B. Do all Custodians offer "Checkbook Control" options?

No - many "traditional IRA" custodians advertise themselves as offering a Self-Directed IRA with "checkbook control", but what that really means is that you can direct your IRA as long as you direct into one of their offerings. In other words, in a "traditional IRA" with no "checkbook control" you are generally only permitted to invest your IRA funds in investments such as equities, mutual funds, bonds or investments offered by the custodian. Moreover, even with the custodians that do allow for non-traditional investments, each investment must be approved by the custodian, causing transaction delays and excessive transaction fees. Whereas, in the case of a "truly" Self-Directed IRA LLC with "checkbook control", a limited liability company ("LLC") is established that is owned by the IRA account and managed by the IRA account holder. The IRA Holder's IRA funds are then transferred by the Custodian to the LLC's bank account providing the IRA holder with "Checkbook Control" over their IRA funds. IRA Financial Group has a close working relationship with all the major FDIC backed/IRS approved passive custodians allowing you to get control of your IRA assets quickly.

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C. What Investments can I make with a Self-Directed IRA?

A Self-Directed IRA offers one the ability to use his or her retirement funds to make almost any type of investment on their own without requiring the consent of any custodian or person. The IRS only describes the type of investments that are prohibited, which are very few.

The following are some examples of the types of investments that can be made with your Self-Directed IRA LLC:

- ▶ Residential or commercial real estate
- ▶ Raw land
- ▶ Foreclosure property
- ▶ Mortgage pools
- ▶ Deeds
- ▶ Private loans
- ▶ Tax liens
- ▶ Private businesses
- ▶ Limited Liability Companies
- ▶ Limited Liability Partnerships
- ▶ Private placements
- ▶ Gold
- ▶ Stocks, bonds, mutual funds
- ▶ Foreign currencies



D. Can I invest in Real Estate with my Self-Directed IRA?

The IRS has always permitted real estate to be held inside IRA retirement accounts. Investments with a Real Estate IRA are fully permissible under the Employee Retirement Income Security Act of 1974 (ERISA). IRS rules permit you to engage in almost any type of real estate investment, aside generally from any investment involving a "Disqualified Person".

E. Can I invest in Gold with my Self-Directed IRA?

Under Internal Revenue Code Section 408, the acquisition by an IRA of any collectible is treated as a distribution from the IRA in an amount equal to the cost to the IRA or account of the collectible (Code Sec. 408(m)(1)). A collectible is any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the IRS for this purpose (Code Sec. 408(m)(2)).



However, the following are not considered collectibles for this purpose:

- ▶ one, one-half, one-quarter or one-tenth ounce U.S. gold coins (American Gold Eagle coins are the only gold coins specially approved for IRAs. Other gold coins, to be eligible as IRA investments, must be at least .995 fine (99.5% pure));
 - ▶ one ounce silver coins minted by the Treasury Department;
 - ▶ any coin issued under the laws of any state;
 - ▶ a platinum coin described in 31 USCS 5112(k);
- and
- ▶ gold, silver, platinum or palladium bullion (other than bullion that is made into a coin) of a certain fineness that is in the physical possession of a trustee that meets the requirements for IRA trustee under Code Sec. 408(a).

F. Prohibited Transactions

The Internal Revenue Code does not tell investors what an IRA can invest in, only what it cannot invest in. Internal Revenue Code Sections 4975 & 408 prohibit fiduciary and other "Disqualified Persons" from engaging in certain type of transactions. The definition of a "Disqualified Person" (Internal Revenue Code Section 4975(e)(2)) extends into a variety of related party scenarios, but generally includes the IRA holder, any ancestors or lineal descendants of the IRA holder, and entities in which the IRA holder holds a controlling equity or management interest.

An IRA cannot invest in life insurance contracts or collectibles defined below:

- ▶ Any work of art
- ▶ Any metal or gem
- ▶ Any alcoholic beverage
- ▶ Any rug or antique
- ▶ Any stamp
- ▶ Most coins



IRA prohibited transactions are listed in IRC Section 4975; prohibited transactions are any direct or indirect:

- ▶ sale or exchange, or leasing, of any property between a plan and a "Disqualified Person";
- ▶ lending of money or other extension of credit between a plan and a "Disqualified Person";
- ▶ furnishing of goods, services, or facilities between a plan and a "Disqualified Person";
- ▶ transfer to or use by or for the benefit of a disqualified person of the income or assets of a plan;
- ▶ act by a "Disqualified Person" who is a fiduciary whereby he or she deals with the income or assets of a plan in his or her own interests or for his or her own account; or
- ▶ receipt of any consideration for his or her own personal account by any "Disqualified Person" who is a fiduciary from any party dealing with the plan in connection with a transaction involving the income or assets of the plan.

Fiduciary prohibited transactions appear to be the most common type of prohibited transaction in the Self-Directed IRA context. The IRA owner is a fiduciary to a Self-Directed IRA and cannot use the IRA funds to directly or indirectly benefit himself. The fiduciary prohibited transaction rules under Code Section 4975(c)(1)(D) and (E) are applicable, regardless of whether there is a "Disqualified Person" on the other side of the transaction.

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G. What is a "Disqualified Person"?

The term "Disqualified Person" includes virtually anyone having a direct or indirect relationship to the IRA.

Under Internal Revenue Code Section 4975, the principal categories of "Disqualified Persons" are:



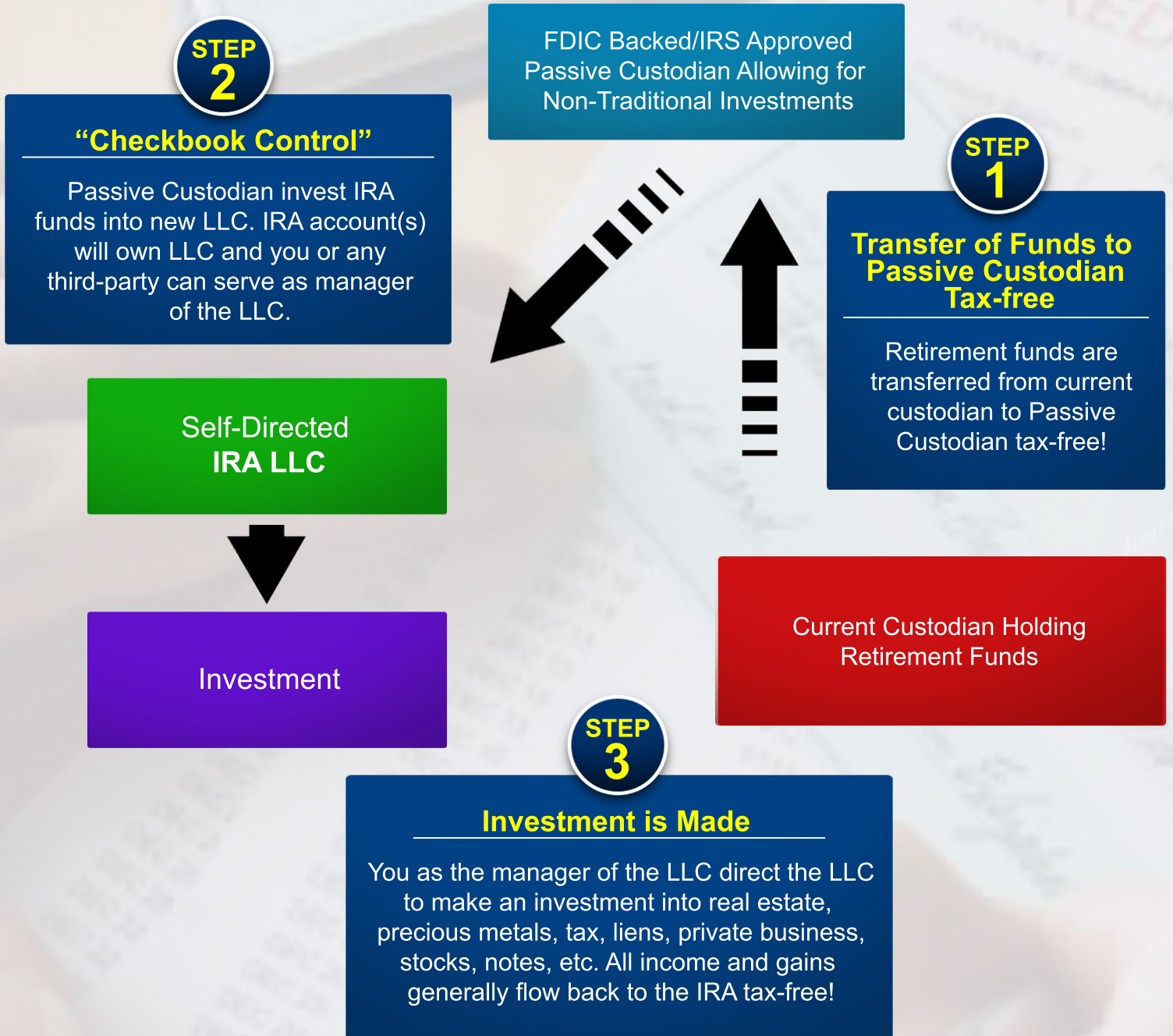
- ▶ The IRA participant (IRA owner)
- ▶ The IRA participant's spouse
- ▶ The IRA participant's ancestors and lineal descendants
(grandparent/mother/father/daughter/son)
- ▶ Spouses of the IRA participant's lineal descendants (son/daughter's spouse)
- ▶ Fiduciaries of the plan (custodian or trustee)
- ▶ Investment managers and advisors
- ▶ Any corporation, partnership, trust, or a "Disqualified Person" that has a 50% or greater interest



Note: According to Internal Revenue Code Section 4975, siblings, aunts, uncles, cousins, and friends are not included in the definition of "Disqualified Persons".

3. The Self-Directed IRA Structure - How it Works

SELF-DIRECTED IRA LLC FLOW-CHART



STEP 1:



Set up a Self-Directed IRA LLC

Why Should I Establish a Self-Directed IRA With IRA Financial Group?

A self-directed IRA LLC will offer you the ability to make traditional (stocks, mutual funds) as well as non-traditional investments (real estate, precious metals, etc.) tax-free and without custodian consent. Tired of seeing all your hard earned retirement assets lose value in the stock market? Upset that the value of your IRA or 401(k) has taken a dive over the last four years? Protect and better diversify your retirement portfolio with a self-directed IRA LLC. Take control of your retirement future and have the opportunity to make the investments you want when you want them.

With IRA Financial Group self-directed IRA LLC, work with our in-house retirement tax professionals and gain the ability to protect your retirement future from a turbulent stock market or future inflation by having the opportunity to re-allocate your retirement portfolio into different asset classes, such as real estate, precious metals, private business, peer-to-peer lending, foreign currency or options. Don't let Wall Street blow your retirement - diversify your retirement portfolio with a self-directed IRA LLC.

Why use a LLC?

A Limited Liability Company (LLC) is a company that has the option to be taxed as a partnership. This is beneficial because the LLC won't pay any taxes on gains, and instead it will be the owner of the LLC who is liable for any taxes just as if they earned the money themselves. Because the owner of the LLC is your IRA (the IRA owner is the manager), there are no federal income taxes unless you are running a business that is unrelated to the purpose of an IRA (making investments), using debt financing or taking a distribution from your IRA.

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Step 2:



Tax-free transfer of funds from your current custodian to a new Passive Custodian that allows truly Self-Directed IRA investments.

Our IRA Experts will assist you in transferring your retirement funds tax-free from your current custodian to a new FDIC backed/IRS approved Passive Custodian that allows for truly Self-Directed IRA investments. With a Self-Directed IRA LLC with "checkbook control" you no longer have to pay excessive custodian fees based on account value and transaction fees. Instead, with a "checkbook control" Self-Directed IRA LLC, an FDIC backed IRS approved passive custodian is used. The custodian in the "checkbook control" Self-Directed IRA LLC structure is referred to as a "passive" custodian largely because the custodian is not required to approve any IRA related investment and simply serves the passive role of satisfying IRS regulations. By using a Self-Directed IRA LLC with "checkbook control" you can take advantage of all the benefits of self-directing your retirement assets without incurring excessive custodian fees and custodian created delays.

Each depositor insured to at least \$100,000



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What Type of Retirement Funds May be Transferred Tax-Free?

- ▶ Traditional IRA
- ▶ Roth IRA
- ▶ SEP
- ▶ SIMPLE
- ▶ 401(k)
- ▶ 403(b)
- ▶ Plans for Self-Employed (Keoghs)
- ▶ ESOPs
- ▶ Money Purchase Pensions Plans

Our IRA Experts will assist you in completing all the necessary custodian documents so your retirement funds are transferred to the new passive custodian quickly and without any tax.

I have never heard of any of these Custodians-How do I make sure my money will be safe?

To be a registered Trust Company or Bank the Institution must meet stringent state and federal requirements and have adequate reserves. Your funds will be kept in a separate account for your benefit for a short period of time (a couple days at most) before the funds are transferred into your Self-Directed IRA LLC checking account. Even if the Trust Company or Bank goes out of business, your IRA funds will be in your LLC's bank account where you will have total control over the funds.

All the Passive Custodians we work with are FDIC backed and IRS approved. Once your custodian has transferred your retirement funds to the Passive Custodian, the Passive Custodian will immediately transfer your funds to your new IRA LLC where you as manager of the LLC will have "Checkbook Control" over those funds.

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STEP 3:



Open a local bank account for the LLC at any bank or credit union of your choice.

STEP 4:



Direct the PASSIVE Custodian to transfer the IRA funds to your new Self-Directed LLC bank account. The IRA Account would then become a member of the Self-Directed IRA LLC.

STEP 5:



As per the Self-Directed IRA LLC Operating Agreement, the IRA owner may be appointed as the Manager of the Self-Directed IRA LLC providing the IRA owner the freedom to make all investment decisions for your Self-Directed IRA LLC ("Checkbook Control").

STEP 6:



As Manager of the Self-Directed IRA LLC, you will be able to write a check or wire money from the LLC bank account to make an Investment ("Checkbook Control").

STEP 7:



The Investment is then made in the name of your Self-Directed IRA LLC and all income and gains will generally flow to your IRA tax-free!

STEP 8:



As manager of the LLC, you will have full "Checkbook Control" of the Self-Directed IRA LLC allowing you to make investment decisions on behalf of your IRA without requiring custodian consent.

4. The IRA Financial Group - Helping Unlock a World of Investment Opportunities

Excellence: The IRA Financial Group was founded by a group of top law firm tax and ERISA lawyers who have worked at some of the largest law firms in the United States, such as White & Case LLP, Dewey & LeBoeuf LLP, and Thelen LLP. With our work experience at some of the largest law firms in the country, our attorneys' legal and tax knowledge in this area is unmatched.

Leadership: IRA Financial Group is the market's leading Self-Directed IRA LLC Checkbook Control Facilitator. We have helped thousands of clients take back control over their retirement funds while gaining the ability to invest in almost any type of investments. We have close working relationships with all the leading Passive Custodians, making the setup process seamless.

Value: With IRA Financial Group, you no longer have to overspend to set up your Self-Directed IRA LLC Checkbook Control structure. We are committed to offering our clients customized professional services at a fair and reasonable price and we are able to deliver this by harmoniously blending professionalism, quality and efficiency

Access: When choosing the IRA Financial Group you will have direct and unlimited access to our in-house tax and ERISA professionals. Unlike our competitors, we don't limit your access to our professionals; in fact, you will likely have the opportunity to talk with one of them before you even get started.

Integrity: We are guided by the rules of ethical conduct in all that we do. Our relationships with our clients are built on trust, respect, and confidentiality.

Innovation: We anticipate the changing tax and financial needs of our clients and creatively adapt self-directed retirement solutions to address them.

Results: We are committed to our clients' satisfaction and strive to meet and exceed our clients' expectations.



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Our Self-Directed IRA LLC Services

The IRA Financial Group will take care of the entire set-up of your Self-Directed IRA LLC "Checkbook Control" structure. The whole process can be handled by phone, email, fax, or mail and typically takes between 7-21 days to complete, the timing largely depending on the state of formation and the custodian holding your retirement funds. Our Self-Directed IRA tax professionals are on site, greatly reducing the setup time and cost. Most importantly, each client of the IRA Financial Group is assigned a tax professional to help with the establishment of the Self-Directed IRA LLC "Checkbook Control" structure. You will find that our fee for this service is significantly less than other companies that perform the same or similar services.

We provide the following Self-Directed IRA LLC "Checkbook Control" establishment services for one low price:

- ▶ **Free tax consultation with our Self-Directed IRA Tax Professionals**
- ▶ **Setup your LLC in the State of your choice**
- ▶ **Prepare and file the Articles of Organization with the State**
- ▶ **Generate a special purpose, IRS-approved Self-Directed IRA LLC Operating Agreement**
- ▶ **Generate a special purpose, Self-Directed IRA Subscription Agreement required by the Custodian**
- ▶ **Obtain the special purpose Self-Directed IRA LLC EIN from the IRS**
- ▶ **Coordinate setup with the Custodian of your Choice**
- ▶ **Free tax and Self-Directed IRA support**
- ▶ **Expedited Service Guarantee**

IRA Financial Group will take care of everything. The whole process can be handled by phone, email, fax, or mail. Our Self-Directed IRA tax professionals are on-site, greatly reducing the setup time and cost. Most importantly, you will find that our fee for this service is significantly less than other companies that perform the same or similar services.

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The IRA Financial Group is the leading facilitator of "Checkbook Control" Self-Directed IRAs.

Expertise - IRA Financial Group was created by top law firm Attorneys who worked at some of the largest law firms in the country.

Access - Work directly with our in-house retirement tax professionals who have worked at some of the largest law firms in the country. Clients of the IRA Financial Group are assigned a Self-Directed IRA tax professional to help establish an IRS-compliant Self-Directed IRA LLC structure.

Value - The IRA Financial Group establishes IRS compliant "Checkbook Control" Self-Directed IRA LLC structures at a price that is significantly less than other companies that perform the same or similar services.

IRA Financial Group has been the trusted choice for thousands of Self-Directed IRA LLC owners. Let us set up your "Checkbook Control" Self-Directed IRA LLC quickly, professionally, and economically. For an immediate free tax and retirement consultation with one of our IRA Tax Specialists, call us today at 800-472-0646.



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For more information on the “Checkbook Control” Self-Directed IRA Structure please contact a Retirement Tax Professional at:



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