



VANTAGE®  
Self-Directed Retirement Plans

# The Truth About IRAs **REVEALED**

**SELF-DIRECTED IRA REPORT**



Stock Market Investments Are NOT Your Only Choice!



# CONTENTS

Contents .....	2
INTRODUCTION .....	3
An Important Message for Independent Thinking Investors .....	3
SECTION 1 .....	7
The Truth About IRAs and the Myth That’s Been Restricting IRA Portfolios Since 1974 ..	7
SECTION 2 .....	14
The Independent Thinker’s Guide to Self-Directed IRA Investment Options .....	14
Investing Your IRA in Real Estate .....	15
Investing Your IRA in Precious Metals .....	18
Investing Your IRA in a Private Business .....	19
Investing Your IRA in Private Notes .....	21
SECTION 3 .....	23
How to Self-Direct Your IRA .....	23
References .....	27

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# INTRODUCTION

## An Important Message for Independent Thinking Investors

Dear Investor,

Even if you've spent your entire career doing the "right thing" - chances are good you still need more money invested to provide the retirement you want and deserve.

When I refer to doing "the right thing," I mean you've spent years working hard, building your career, earning money for you and your family. You've achieved what most haven't. You're already in the top 20% of income earners in the country.

You know what your future holds is up to you, and you're an independent thinker – not an entitlement seeker. You've saved a lot of that money and invested it for the future.

And if you really did the right thing, you've put a portion of savings in a tax advantaged IRA.

### **But 'Doing the Right Thing' May Not be Enough**

Uneasiness and dissatisfaction with Wall Street's performance of retirement accounts such as brokerage IRAs has just about peaked. Look at the facts:

- *The stock market has not performed well over the last few years, with many people losing thousands, even hundreds of thousands of dollars, they may be unable to re-cover, due to their age or employment status.*



- *The volatility and swings in the stock market have many wondering if their IRA is safe at all. You may not even be sure it will be there when you're ready to start drawing from it.*
- *Moreover interest rates are historically low leaving savings accounts and CD's yielding less than 1%. They're not much use either.*

And there's even more to consider – the picture gets worse.

### **Life Expectancy is Climbing!**

According to Stanford University, medical advances in anti-aging technologies could increase average life expectancy from just less than 80 years to 100 <sup>[1]</sup>. How long will your retirement savings last? How can you make sure?

Plus, social security is no longer guaranteed. CNN Money reports that the Social Security trust fund will be exhausted in 2040 <sup>[2]</sup>. Are you depending on Social Security as part of your retirement income? And - economic changes within society are more prevalent than ever. According to the NY Times the cost of 9/11 has been estimated at \$3.3 trillion, including the effect to the stock market <sup>[3]</sup>. And as the Boston bombs revealed we are still at risk from terrorism. Are you prepared for these types of unforeseen cost increases and market fluctuations?

In addition, soaring health care costs are putting seniors into debt. In fact, Employee Benefit Research Institute reports that the debt load of seniors is growing <sup>[4]</sup>. The percentage of households 55 and older with overall debt grew faster than the rate of the overall population. Those 75 and older packed it on most quickly. Are you prepared for your long-term health care costs? Moreover:

### **Is Your IRA Restricting Your and Your Family's Future?**

You see, whether you realize it or not (and if you don't you'll discover it's not your fault) placing your retirement dreams on brokerage IRA funds like stocks, mutual funds and CDs is a serious restriction. Especially for any self-directed person who's spent their life diligently working to make sure they retire financially secure and not in the ever increasing group of 'retirement losers'.

Investing in a brokerage IRA is like leaving high school, getting a job at the bottom of the ladder, doing as little work as possible and then just saying to your boss “please make sure you pay me forever an ever increasing amount because, while I’m a good person, I’d rather you took control of my future”! It’s not going to happen.

You didn’t get where you are today on that ‘plan’. It’s not a good plan for your retirement savings and more importantly you deserve better. Right now, through almost no fault of your own, if you’re invested in a brokerage IRA then you have unwittingly placed chains of mediocrity around your retirement savings. You’ve followed the crowd and missed an opportunity to join a smarter, more independent group of investors who are taking control of their retirement savings and investing in what they believe in. Right now you have a choice to make. And the choice is whether to accept independence and control of your retirement savings or simply leave them to the ‘elements’. The choice is yours – read on.

### **Set Your IRA Free®**

In this special report we’ll examine your options for finally taking full control of your IRA with a Self-Directed IRA. For taking back a piece of your freedom. For removing the limiting restrictions of a brokerage IRA to gain confidence that you are investing in what you believe is right for you. Rather than investments chosen by bankers. Bankers who you have never and will never meet. Not what a commission focused financial advisor wants you to invest in because it’s in their financial interest or they have no other option due to their company’s limiting policies and professional licensing.

A brokerage IRA limits you to traditional, stock market-based, investment choices.

A Self-Directed IRA is exactly what it sounds like.

It puts you in control of what you invest in and allows you to direct your retirement savings in assets you understand, believe in and feel more comfortable with.

In addition to the conventional investments you can make in a brokerage IRA – things like stocks, bonds, and mutual funds – a truly Self-Directed IRA allows you to invest in many other things, like real estate, private notes, private businesses, and even precious metals.

You can invest in virtually anything, as long as you do not receive a personal benefit. For example, you can buy the house next door within your IRA and then rent it to a neighbor. You can take an existing brokerage IRA, transfer it to a Self-Directed IRA and then use it to buy real es-

tate and enjoy the tax favored rental income benefits too. You can even invest in a privately held business and help fuel your local economy.

If you do all your investing inside a retirement account, you won't have to pay taxes on the gains to the IRS. The goal is just to maximize your IRA's balance as successfully and tax-efficiently as you can.

A Self-Directed IRA gives control of your retirement savings to you, where it should be.

### **But Aren't Self-Directed IRAs ILLEGAL?**

No and in the next chapter of this report you'll see how they have always been legal and how the myth of illegality has been perpetuated for decades by Wall Street firms and misinformed trusted advisors.

However, like every financial plan there have been cases of poor, unscrupulous, Self-Directed IRA culprits who have not followed the rules and left their clients in trouble. And in this report we will also discuss the legal requirements of your Self-Directed IRA to make sure your investments remain tax-favored and compliant.

By the end of this report you will be able to make an informed decision as to whether further exploration of a Self-Directed IRA is right for you.

### **But you must realize that a Self-Directed IRA is not the right proposition for everyone.**

It requires someone with a sensible, serious and independent attitude to his or her finances. If you are a push button wealth seeker, a seeker of a single magical pill to secure your retirement; if you are unwilling to engage in intelligent investing, unwilling to accept responsibility for choosing your own well informed investment advisors and if you aren't seriously motivated to make your money work much harder for you and erase the fragility from your investments... what we're about to discuss is not for you, and you'll be able to skip reading the remaining pages. Please feel free.



Self-Directed IRAs are for those of us who want to invest with purpose and design a retirement portfolio that is personalized to our needs, wants and comfort zone. This is about a 'precision road to retirement security not travelled by the masses'... *the difference between trying to win NASCAR in a Ford Focus that 'wheezes' it's way around the track or Jimmie Johnson's individually built, hand crafted Chevrolet that thunders to the finish line.* It is for those who understand wealth rarely originates from one simple, one size fits all investment strategy... further it is usually found in the opposite direction the masses are moving. You may not fit that profile. This report will help you decide.

Every investor is unique – Money Is Personal®.

For an immediate discussion with a Self-Directed IRA Specialist who can answer any questions you may have, click [here](#).

Happy Investing,

**J.P. Dahdah**  
Chief Executive Officer



# SECTION 1

## The Truth About IRAs and the Myth That's Been Restricting IRA Portfolios Since 1974

Whether you're invested in an IRA and considering further diversifying, or you've been burned by Wall Street and want an alternative option, we need to go back to 1974 to understand why brokerage IRAs are as limited as they are any why it's not your fault if your IRA and your future has been bound by their restrictions.

**In 1974 the Government Revealed  
“A Boost for Working Americans’ Retirement Dreams. And a Tax Break!”  
The Birth of the Individual Retirement Account (IRA)**

The law was called “ERISA” (the Employee Retirement Income Security Act) and with it the IRA came into being. The rules were very simple.

If you were a working American, in any field at any income level, you could have your very own IRA and contribute up to \$1,500 a year, from your earned income, tax-deductible.

Now this is critical --- your IRA savings were held for you by a government-approved custodian – typically a large bank or brokerage house – and were yours to invest.

With a few exceptions, *EVEN in 1974, your IRA could diversify* into:

- Stocks
- Mutual Funds
- Bonds

AND CRITICALLY:

- Real Estate
- Private Businesses (LLCs, LPs, Syndications)
- Private Notes
- Foreign Currency
- And much more

Then, at the age of 70½, Uncle Sam required your IRA to begin to pay yourself and him back for all your diligent investing. It is his way of encouraging you to have some fun before you reach your life expectancy. Unfortunately, however, it also meant you had to begin withdrawing funds and pay ordinary income tax on the wealth you had created on your IRA's investments.

Now – what's so critical here is the second list of bullet points above. Even back in 1974 it was perfectly legal to invest in real estate, private businesses, private notes, foreign currency and much more. It has ALWAYS been perfectly legal.

Yet in reality your ability to diversify was LIMITED BY YOUR IRA'S CUSTODIAN, not the federal rules and regulations governing IRAs.

So as most custodians were (and still are) banks and brokerage houses, they simply offered the investments which were already in their menu of commissionable products and part of their business model. Anything that didn't fit their business model wasn't available and most likely not "suitable" for you. And that meant you were limited to:

- Stocks
- Mutual funds
- Bonds
- Annuities
- Certificates of Deposit (CDs)

The result?

*Many Americans had to settle for less diversification in their IRA portfolios than they might have wished and which Congress had originally intended.*

Even if they wanted to invest via their IRA in real estate, private businesses, gold and silver coins, commodities or other alternative investments, they couldn't because there simply weren't many custodians to help them – despite it being completely legal.

And thus the myth of the unavailable alternative asset IRAs began to proliferate- simply because custodians couldn't offer alternative investment opportunities, nor were they willing to hold non-traditional assets!

### **By the Early 1990's IRAs Were Growing in Size, and Needed to be Upgraded**

When an IRA investor asked their bank if they could buy real estate via their IRA the response was simple:

*“NO YOU CAN'T. It's not possible.”* And for the bank, that was true.

When an investor asked their financial advisor if they could invest in gold and silver coins via their IRA the response was again simple:

*“NO YOU CAN'T. It's not possible.”* And for the licensed investment advisors, that was true.

And so the myth that you couldn't invest in real estate and other alternative assets via your IRA began to accelerate.

And before you knew it a whole army of bank representatives, brokerage staff, investment professionals, accountants, attorneys and more were part of the proliferation of the myth. Whether they were purposefully hiding the fact that alternative assets were possible or not doesn't matter – to the new or seasoned investor the answer was the same, **“you can't do it!”**

But the demand didn't go unnoticed.

And several trust companies with the administrative flexibility to hold alternative assets entered the IRA arena. And henceforth, a new level of diversification became possible for IRA investors, one that truly permitted an IRA accountholder to “self-direct” their retirement assets.

Investors could now actually self-direct their IRAs and invest in real estate, precious metals, private companies, private notes and more. The Self-Directed IRA industry started growing slowly at first, but has begun to grow rapidly as more and more investors (i.e. Baby Boomers) seek more control, flexibility and increased investment options.

### **With Diversification Solved, Timing Became the Challenge**

Now that an IRA accountholder could invest in many different asset classes, timing became an important factor.

Good opportunities might arise quickly – and with small windows of opportunity.

And the administrative procedures at most custodians were so laborious and time consuming it could actually impair a person's ability to move in a timely fashion.

But not anymore. Nowadays, if you choose the right provider you can take advantage of alternative asset opportunities FAST.

Moreover, **if you're already invested in a restricted brokerage IRA you can quickly transfer your nest egg into alternative assets.**

### **Truly Self-Directed IRAs are Available, Legal and Put You Back in Control of Your Savings**

So when directing your retirement savings, you can now decide to invest in alternative assets such as:

- Real Estate
- Private Businesses
- Precious Metals
- Private Notes
- And much more

An IRA which allows you to do that is called a **Self-Directed IRA (SDIRA)**.

YOU can control your own retirement account and direct the plan yourself...without the need for brokers, managers, or advisors collecting excessive commissions, or worse yet, misinforming you about your investment options without their knowledge based on the self-serving training of the financial institutions they represent.

And if you're now thinking *"If I had known this before I'd be invested in alternative assets already"* then consider two things.

Firstly, it's **NOT** your fault. The sad fact is that most investors are misinformed about the investment choices permissible within retirement accounts and that's happened because of the history we've just discussed. And secondly – now can be the right time to switch.

SDIRAs provide you with the flexibility to diversify your portfolio and generate increased returns by providing access to numerous asset classes that go well beyond traditional IRA investing. This capability is extremely important as it can help you avoid significant losses by providing a portfolio that is not correlated to the volatile performance of the public markets.

In other words:

*YOU can be in the driver's seat with more choices and control than you realized was possible!!*

But there's more.

### **Even More Benefits About SDIRAs**

While the overture benefits of a SDIRA is simply more investment choices, you can stop leaving your retirement to 'chance' and instead use your own intelligence and independence to make your own decisions about how you want to invest - here are even more reasons a SDIRA can make sense for you:

- You may have most of your life savings locked up in a retirement account. That means if you want to take advantage of an opportunity to make a large investment in something non-traditional, your IRA will often be your best source of money to fund your investment.
- You may see more profit potential in a private investment than the stock of public companies offer. Just as venture capitalists look to get in on the ground floor of businesses with good ideas, using your IRA to make an early investment in a promising business can give you a huge payoff if it proves successful. And it's even better if you can reap those rewards without Uncle Sam reaching in your pocket.
- If you want to invest in real estate, it's hard to find stocks that give you the same type of exposure that owning a particular property gives you. You could buy publicly traded Real Estate Investment Trusts (REIT) like Vornado Realty (NYSE: VNO), Simon Property Group (NYSE: SPG), and Equity Residential (NYSE: EQR). But those are huge, diversified companies with holdings nationwide -- which provides stability, but at the cost of potential profit and less control.
- The same idea holds true for other investments. The opportunity to invest in a franchise business is much different from owning shares of McDonald's (NYSE: MCD), Blockbuster (NYSE: BBI), or Tim Hortons (NYSE: THI). An investment in shares of a miner



like Newmonth Mining (NYSE: NEM) won't have the same returns as owning actual gold and silver bullion coins. Investments in publically traded securities shift the risk from the actual asset to the specific company.

What it boils down to is that if you have money in an IRA and want to expand your investments beyond traditional securities, a Self-Directed IRA can help you do what you want with it.

So what are the most common forms of alternative IRA investments?

We'll explore them in the next section. Read on.

# SECTION 2

## The Independent Thinker's Guide to Self-Directed IRA Investment Options

Since the birth of the IRA in 1974, it has been possible to purchase alternative assets such as real estate, private business, precious metals and private notes with your IRA. What has not been easy is finding an IRA provider who was willing to service or custody these type of investments.

Moreover, it has not been easy to find an IRA provider who has the depth of experience, free education and world-class customer service that leaves you fully confident to self-direct your IRA.

With an account at Vantage, you can decide on the alternative asset you would like in your IRA plan and, at your direction, we will fund the acquisition that you believe will help you reach your retirement goals.

Our knowledgeable staff and world-class personalized service makes the investment process easy and as enjoyable for you as possible.

We offer FREE comprehensive, easy to retain, on-going education on SDIRAs. Much of which is available on our website via VTV, The IRA Knowledge Channel. We spend significant time and energy on education because we feel that investors who know what their account can do will be prepared to capitalize on a good deal when they see one and recognize the true benefits of these tax-advantaged wealth-building vehicles.

Now let's dive into more detail on the most popular alternative asset choices. Keep reading.

## Investing Your IRA in Real Estate

The powerful combination of value appreciation and income has historically been attractive for investors who understand the risk-return trade-off of real estate investing.

You can own real estate of any kind within your IRA. Been told otherwise? It's hardly surprising!

The Internal Revenue Code's rules and regulations provide the validation you and your trusted advisors often seek. Section 408 allows for the purchase of property with funds held in many common forms of IRAs, including a Traditional IRA, a Roth IRA, SIMPLE IRA and a Simplified Employee Pension (SEP) IRA.

So - with a real estate IRA, you can earn tax-free/tax-deferred returns on your real estate investments.

Here are the top reasons for investing in real estate in your IRA:

- Unlike stocks and other paper-based investments, real estate is tangible. You can actually see, feel, touch and smell what you own.
- You can leverage your investment to seek higher investment profits by using borrowed money. Yes, your IRA can be leveraged with other people's money!
- You can see capital gains through market appreciation and a cash stream too.
- Because you control the properties your retirement account purchases, you can formulate your own strategies.

And there are all sorts of real estate based IRA investments which are allowed by the IRS. The following is a partial list:

- Residential or commercial real estate
- Raw land
- Foreclosures
- Mortgages
- Mobile homes
- Trust Deeds

- Tax liens
- Foreign real estate
- Duplexes
- Multi-family units
- Condos
- Farm land

But there are important rules to adhere to when choosing real estate as an IRA investment.

### **The General Rules for Real Estate IRA Investing**

While holding real estate in your IRA is completely allowable by IRS law, there are several important rules that an IRA holder needs to know before getting started.

Here are the basics:

- **Your IRA Cannot Purchase Property Owned by You or a Disqualified Person:** IRS regulations don't allow transactions that are considered "self-dealing," and they don't allow your self-directed IRA to buy property from or sell property to any disqualified person, including yourself.
- **"Indirect Benefits" From Property Owned by Your Self-Directed IRA are NOT Allowed:** Therefore you can't purchase a vacation home you occasionally use or rent office space for yourself in a building that your Self-Directed IRA owns. That is because the purpose of the IRA is to provide for your retirement at some future date. It's not intended to benefit you (or any other disqualified person) today. If your IRA engages in a transaction that, in some way, benefits you or a disqualified person, this is considered an "indirect benefit" and is prohibited.
- **You and Your IRA are Two Separate Entities.** As such the investment needs to be titled in the name of your IRA—not in your personal name. All documents related to the investment must be titled correctly to avoid delays.
- **IRA Investments That Use Financing May be Subject to Taxes:** Your Self-Directed IRA can purchase real estate using financing as long as the loan is non-recourse. If your SDIRA is financed, unrelated debt-financed income tax (UDFI) may be due and would need to be reported to the IRS on tax form 990T. It is highly encouraged to consult with a tax advisor about the potential tax consequences of leveraging your IRA.

- **Real Estate IRA Expenses Must be Paid From Your IRA:** All expenses related to property owned by your Self-Directed IRA (maintenance, improvements, property taxes, home owner association fees, etc.) must be paid from your SDIRA.
- **Real Estate IRA Income Must Return to Your IRA:** All income generated by property owned by your Self-Directed IRA must be received back into your IRA.

### Take Control of Your IRA with a Real Estate Investment

A Real Estate IRA is a perfect example of how the restrictions of a brokerage IRA that limits your IRA into traditional investments are lifted.

For many independent investors this level of empowerment can literally be life changing. Your IRA can:

- **Purchase with Cash - The Most Straightforward Approach:** With sufficient funds you can purchase a property outright. All on-going expenses are paid from your Self-Directed IRA, and all income/profits are returned to your IRA.
- **Partner with Family, Friends, or Business Associates:** If you don't have enough funds for a cash purchase, your Self-Directed IRA can purchase an undivided interest in a property.

For example, your Self-Directed IRA could partner with a family member, friend, or business associate to purchase a property for \$300,000. The friend could provide 70% of the purchase price (\$210,000), and your Self-Directed IRA could purchase the remaining 30% (\$90,000). All on-going expenses must be paid in relation to your percentage ownership. In this example, for a \$3,000 property tax bill, the friend would pay \$2,100 (70%) of the bill and your Self-Directed IRA would pay \$900 (30%).

Likewise, if the property collected monthly rent of \$2,000, the friend would receive \$1,400 (70%) and your Self-Directed IRA would receive \$600 (30%).

- **Provide a Private Loan to a Borrower Who Uses Real Estate as Collateral.** You'll see more about this in our Private Lending section, but in essence, your IRA can act like a mortgage lender.
- **Invest Into an Entity That Invests in Real Estate.** Now, you'll see more about this in our investing in Private Businesses section but for example you could invest in a Limited Liability Company (LLC) that then invests in real estate holdings.

And best of all when you open an SDIRA account with Vantage, the process for purchasing real estate is simple, efficient and cost effective.

At Vantage we MAKE THE COMPLEX SIMPLE.

To see if a SDIRA that enables you to invest in real estate is the right move for you, schedule a call with a Self-Directed IRA Specialist right now by clicking the link below:

[Click here to schedule a free consultation with an IRA Specialist today!](#)

Right now – let’s look at another alternative asset class.

## Investing Your IRA in Precious Metals

The recent “gold rush” has made precious metal investing a popular alternative asset strategy.

Investors view gold as a way to pass on and preserve their wealth from one generation to the next. Because of the metals’ intrinsic value and history of reducing overall volatility and risk, many investors seeking to hedge against market cycles or inflation have turned to assets such as gold, silver, platinum, or palladium as a way to further diversify their investment portfolios.

And indeed you can hold such precious metals in your Self-Directed IRA.

But there are IRS rules that you need to be aware of before investing in precious metals. Here they are:

- Any precious metals held within an IRA must be of high quality. For example, Gold must be of at least 0.995% fineness. And there are similar rules for silver, platinum and palladium.
- You cannot personally hold the precious metals owned by your IRA. Instead, Vantage stores the precious metals in a federally approved depository institution.
- Metals holding a numismatic value, such as collectable coins, are prohibited from being held within an IRA.

And thus, investing in precious metals involves a number of parties and as with all self-directed investments, proper due diligence is needed.

You choose your precious metals broker, who will help you decide which metals to purchase, and Vantage will work directly with them. The metals are then stored in the depository and there are separate fees that must be paid by the IRA for storing the metals.

Critically *this is not as challenging or time consuming as it may at first sound* as long as you work with an established, credible Self-Directed IRA provider such as Vantage.

Vantage is uniquely prepared to coordinate all the specific requirements involved with holding physical precious metals in your retirement plan, such as arranging for storage in a depository institution, handling the shipping process, coordinating valuations for IRS reporting, and providing account administration.

We pride ourselves on being a great complement to the broker relationship you select and making the transaction processes extremely timely so that you can buy and sell the metals you want when you want.

And - precious metals may be purchased by any of the plans we offer.

To better understand how precious metal investing can be done with a SDIRA, simply schedule a call with a Self-Directed IRA Specialist by clicking [here](#).

Now let's look at another alternative asset class... Keep reading.

## Investing Your IRA in a Private Business

Private company investing – equity capital that is not publicly traded – has fuelled America's economic growth. Infused by direct investments, immensely profitable successes like [Google](#), [Apple](#), and [Microsoft](#) were once private entities that have grown to public icon status.

Innovative entrepreneurs armed with their proven business models often seek growth capital to expand their operations.

As a Self-Directed IRA investor, you have the freedom to invest in private companies that you are passionate about and enjoy the tax-free profits generated by their competitive advantages.

Structures used to invest in private companies with an IRA include, but are not limited to, Limited Liability Companies (LLCs), Limited Partnerships (LPs), and C-Corporations (C-Corps).

And because each business structure has unique advantages and disadvantages, we strongly encourage you to consult with the appropriate professionals to determine the structure(s) that best meet your unique investing and retirement planning needs.

Over 65% of Vantage's book of business is investments via Limited Liability Companies (LLCs), Limited Partnerships (LPs), and other legal entities. This is not surprising when you consider that these structures are commonly used by investors for a variety of favorable reasons. These entities:

- Allow you to pool money with others to invest in larger sized purchases or more deals for increased diversification.
- Provide additional asset protection which helps add a layer of safety against creditors and litigious adversaries.
- Offer additional "checkbook control" of your nest egg which can expedite time-sensitive transactions and reduce administrative costs for active investment strategies or multiple asset accounts.

So what's the downside?

Well remember -- with freedom comes responsibility.

This means that Self-Directed IRA investors must remember that having IRA assets held within these entities doesn't eliminate the requirement to follow IRA rules and regulations.

Having more control is great if you know what you are doing and how to avoid the pitfalls often overlooked by uninformed IRA investors. Just because your neighbor did something a certain way doesn't mean he or she did it the right way, so be sure to educate yourself first about how a Self-Directed IRA can be used to help you build wealth correctly.

And there are important things to remember when investing in private businesses.

- The IRS allows holding shares/units of a privately held company, except S-Corporations.
- You CANNOT use your IRA to purchase private equity already owned by you.
- There are possible restrictions to consider if you wish to invest in private equity of a company you control or own.
- To invest in private equity you must do so via a Self-Directed IRA administrator such as Vantage.

- Since the IRA is a separate entity to you, Vantage will sign any documents on your IRA's behalf, as Administrator, once you have read and approved them.
- Any expenses incurred from the investment come out of your IRA account and investment earnings are placed directly into the account.

So, as you can see investing in private businesses can be a great opportunity for you.

Yet you still have more options so, keep reading.

## Investing Your IRA in Private Notes

Limited access to conventional financing has increased the demand for capital while simultaneously creating an opportunity for investors to earn above market returns through private lending.

Rather than qualifying based on a traditional lender's credit profile, a borrower seeking private funds negotiates directly with the lender.

Savvy self-directed investors can offer this private lending source as their IRA provides the borrower with the capital needed to execute their investment strategy. In essence, your Self-Directed IRA can help you become the "bank."

Private lenders can lend at rates higher than traditional funding sources and have the freedom to structure repayment terms to their advantage. A Promissory Note is one of the most commonly held private lending vehicles. A note can be secured (backed by collateral) or unsecured.

But there are things to remember when lending from your IRA. In particular, the difference between private lending and a private business investment.

Private lending works like this:

STEP 1: The monies are loaned to the business, individual, or other investor.

STEP 2: A repayment contract is put in place to repay the loan over the agreed period and some kind of equity or property deed may be used as repayment security.

And there are all sorts of private lending strategies to consider such as:

1. Deed of Trust secured with real estate as collateral
2. Refinancing high interest credit card debt
3. Accounts Receivable backed loans
4. Factoring
5. Convertible debt instruments
6. Equipment leasing and financing

So you see private lending is distinctly different to private business investment, which works like this:

STEP 1: Equity in the business is given in EXCHANGE for the money given to the business.

STEP 2: Repayment of the investment then comes from company earnings or indeed the sale of the equity. Shares of private stock are the most common form of equity here.

As is true with all investing, private lending requires thorough due diligence and an understanding of both the opportunity and risk associated with the investment and its security instrument.

Now continue to the next section.



# SECTION 3

## How to Self-Direct Your IRA

You've spent years working hard, building your career, earning money for yourself and your family. You know what your future holds is down to you, and you're an independent thinker – not an entitlement seeker. You've saved a lot of that money and invested it for the future. Yet until now it's very likely your IRA has remained bound and restricted by the chains of a brokerage IRA.

But now you have a choice.

You can take control of your IRA and use your own independent research, due diligence and even 'hunches' to quickly invest in the assets you believe are right for YOU; whether that be real estate, precious metals, private businesses or private lending. This is an empowering opportunity.

And you deserve dedicated, passionate professionals who can help facilitate your choice to be a self-directed investor.

At Vantage, we will...

- Guide you through the alternative asset transaction process so you can quickly capitalize on the opportunities you believe in.
- Share status updates each step of the way during a transaction so you know exactly where you are and react as things develop.
- Accept retirement plan contributions and process distributions making things as easy and time-efficient as possible for you.
- Request all necessary documents to process transactions so you can focus on the investment itself.
- Receive investment income and pay investment expenses saving you time and hassle.

- Do critical IRS reporting (Forms 5498 and 1099) to keep compliant.
- Provide you with a FREE, comprehensive knowledge base of information which enables you to understand self-directed alternative investment transactions better.

We will help you every step of the way while you take control of your retirement investments - the key to achieving long-term success.

And control is the KEY.

If passive investing were the path to investment riches, the majority of Americans would be sitting on a retirement gold mine.

They're NOT.

Instead, retirement is looking bleaker than ever for most individuals. YOU ARE NOT one of them.

You know that to achieve great gains requires effort. It requires research and due diligence. It requires TIME. And it requires professionals you can trust. We know Money Is Personal® and our goal is to help you achieve the retirement income and lifestyle you and your family deserve – nothing more.

Now – here's how the Self-Directed IRA process works. Keep in mind there are variations dependent on the asset type – but we help make that easy. Here's the general 'flow':

## **1. Open and Fund Your Account**

Simply download and complete the online Application Packet (Application Form and Fee Schedule), along with a Deposit Coupon, Transfer Form, or Rollover Form. Print, sign, and mail in all original documents along with the application fee and a legible copy of your Driver's License. For Vantage's new SDIRA kit, [click here](#).

## **2. Choose What YOU Want to Invest In?**

Perform your due diligence, consult with trusted advisors, and select the alternative assets that match your investment appetite (i.e. real estate, precious metals, private businesses, private notes and much more). The only investment limitations enforced by the U.S. Government are collectibles and life insurance contracts (see IRS Publication 590). Other than that, you can direct your retirement savings anywhere you want!

### 3. Transaction Requirements

After selecting the asset type, our knowledgeable IRA Specialists will walk you through the transaction requirements and any necessary documentation.

### 4. Maintain Your Investment

After purchasing your asset, you will need to maintain your account. This includes taking distributions, paying expenses, depositing contributions and income generated from your investments, and annually submitting the Fair Market Value (FMV) of your retirement assets within your SDIRA.

And best of all – every step of the way we have exhaustive education videos and audio tutorial guides. So whether you're a seasoned investor or a novice – it **couldn't be any simpler for you.** To view Vantage's forms and audio tutorials, [click here](#).

## The Time to Take Control is Now

If you've read this far you clearly have a passion to take more control of your retirement future. And the time to act is now.

- Brokerage IRAs are still at the mercy of Wall Street and leave you largely powerless, with little confidence and exposed to massive market volatility.
- Life expectancy is climbing which means you need to be sure your retirement savings will fund the lifestyle you want and deserve no matter what happens in the economy around you.
- Social security is not guaranteed – so if you're depending on that even in part – you're at risk.
- Economic changes are more prevalent than ever. Terrorism, the global banking crisis, austerity reforms – you've got to be prepared.

Sure you can wander like a sheep with the majority of Americans and just accept your 'fate', but you are better than that.

You have the intelligence, the foresight, and the independence to take control and so you should.

**Don't leave you IRA locked in the chains of mediocrity** because of the inflexibility of banks and the smoke and mirrors of Wall Street.



Money is Personal® and you can make your own decisions about where you want to invest your hard-earned money; whether that's real estate, precious metals, private businesses, private notes or any other alternative investment strategy you understand and are comfortable with. We're here to make liberating your IRA easy.

To *take the next step to controlling your retirement* simply schedule a call with one of our friendly SDIRA Specialists. You can schedule your call [here](#).

We are proud to be the company enlightening you about the power of Self-Directed IRAs and look forward to helping you take control and invest in the assets YOU believe in!

Talk soon,

*The Vantage Team!*



## References:

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