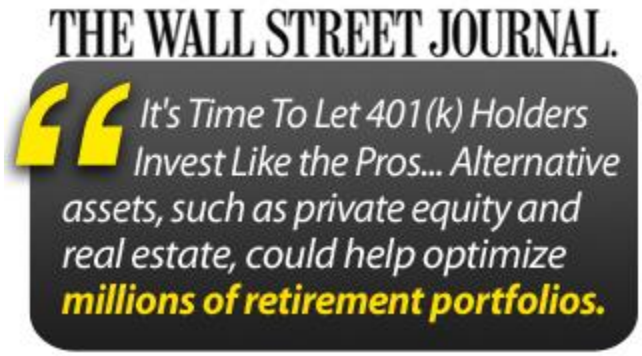
Solo 401K Plan

- **A World of Investment Opportunities:** With a Solo 401K Plan, you will be able to invest in almost any type of investment opportunity that you discover, including: real estate (rentals, foreclosures, raw land, tax liens etc.), private businesses, precious metals, hard money & peer to peer lending as well as stock and mutual funds; your only limit is your imagination. The income and gains from these investments will flow back into your Solo 401K Plan tax-free. Making an investment with your Solo 401K Plan is as simple as writing a check. As trustee of the Solo 401K Plan, you will have total control over your retirement assets to make real estate and other investments tax-free and without custodian consent.



- **Loan Feature:** While an IRA offers no participant loan feature, the Solo 401k allows participants to borrow up to $50,000 or 50% of their account value (whichever is less) for any purpose at a low interest rate (the lowest interest rate is Prime which is 4.25% as of 6/23/17). This offers a Solo 401(k) Plan participant the ability to access up to $50,000 for use for any purpose, including paying personal debt or funding a business.
- **“Checkbook Control” and No Custodian Fees:** With a Solo 401(k) Plan, you can serve as trustee of the Plan giving you “checkbook control” over the Plan’s funds. To this end, making an investment with your Solo 401(k) Plan is as easy as writing a check. Another significant benefit of the Solo 401(k) plan is that it does not require the participant to hire a bank or trust company to serve as trustee. This flexibility allows the participant to serve in the trustee role. This means that all assets of the 401(k) trust are under the sole authority of the Solo 401k participant. A Solo 401(k) plan allows you to eliminate the expense and delays associated with an IRA custodian, enabling you to act quickly when the right investment opportunity presents itself. Also, because the Solo 401(k) Plan trust account can be opened at any local bank or credit union (i.e., Chase, Wells Fargo, Citibank, etc.), you will not be required to pay custodian fees for the account as you would in the case of an IRA.
- **Flexible Contribution Options:** Contributions to a solo 401(k) plan are completely discretionary. You always have the option to try to contribute as much as legally possible, but you always have the option of reducing or even suspending plan contributions if necessary. In other words, you have the ability to make contributions to your Solo 401(k) Plan (up to an aggregate amount of $54,000 if you are under the age of 50), but are not required to do so.
- **Roth Type Contributions:** With IRAs, those who earn high incomes are disallowed from contributing to a Roth IRA or converting their IRA to a Roth IRA. The Solo 401(k) plan contains a built-in Roth sub-account which can be contributed to without any income restrictions. With a Roth Solo 401(k) sub-account, you can make

Roth type contributions while having the ability to make significantly greater contributions than with an IRA.

- **Cost Effective Administration:** In general, the solo 401(k) plan is easy to operate. There is generally no annual filing requirement unless your solo 401(k) plan exceeds $250,000 in assets, in which case you will need to file a short information return with the IRS (Form 5500-EZ).
- **Offset the Cost of Your Plan with a Tax Deduction:** By paying for your Solo 401(k) with business funds, you would be eligible to claim a deduction for the cost of the plan, including annual maintenance fees. The deduction for the cost associated with the Solo 401(k) Plan and ongoing maintenance will help reduce your business's income tax liability, which will in-turn offset the cost of adopting a self-directed Solo 401(k) Plan. The retirement tax professionals at the IRA Financial Group will help you take advantage of the available business tax deduction for adopting a Solo 401(k) Plan.
- **Exemption from UDFI:** When an IRA buys real estate that is leveraged with mortgage financing, it creates Unrelated Debt Financed Income ("UDFI") - a type of Unrelated Business Taxable Income (also known as "UBTI or UBIT") on which taxes must be paid. The UBTI tax is approximately 40% for 2017. But, with a Solo 401(k) plan, you can use leverage without being subject to the UDFI rules and UBTI tax. This exemption provides significant tax advantages for using a Solo 401(k) Plan versus an IRA to purchase real estate.
- **Retirement Saving Consolidation through Rollovers:** A solo 401(k) plan can accept rollovers of funds from another retirement savings vehicle, such as an IRA, a SEP, or a previous employer's 401(k) plan. Thus, you can directly rollover your IRA or qualified plan funds to your new 401(k) Plan for investment or loan purposes. Note – only Roth IRA funds cannot be rolled into a Solo 401(k) Plan.