

Starting Your Highly Secure Alternative Investment Strategy

Hello,

I'm Richard Geller, CEO and operating manager of [FinancialSuccessInstitute.org](#). The Institute's goal is delivering all of the information and resources people need to find highly secure alternative investment opportunities. The self directed IRA or 401K are the vehicles of choice for most people wanting to take control of their financial future. You'll find information on that subject and alternative investment opportunity ideas in this issue of our newsletter. I hope to hear from you soon at [FinancialInvestmentInstitute.org](#).

Thanks

IRA and 401K – the best investments – and why the stock market is a loser for 99% of investors

December 17th, 2011

What are the best investments for your retirement cash? With the stock market tanking or going sideways, where should you put your money?

The stock market has been wild lately. Wild in a bad way. We can expect some “relief rallies” but we can expect it to fall quite a lot more.

You have no control over the stock market. The gyrations and steep falls and even the occasional increase in stock prices are mostly due to what the central banks are doing. What the chairman of the Federal Reserve is doing.

In this day and age, the stocks you pick have little to do with your success or lack of it.

Has the deck ever been so stacked against the average investor as it is today?

To find out, I must blow my own horn for a moment...

I've had great success in predicting future trends

In 2005, people were raving about real estate and about how you couldn't fail to get very very rich. It wasn't going to fall, they aren't building more land you know.

I had been through this real estate cycle once before in Southern California. At that time I got stuck when I owned a mortgage company and was buying preforeclosures and involved in apartment buildings. I got stuck and lost money and had to do a short sale on my own house.

I didn't want to get stuck again and had built up a lot of equity that I knew would all evaporate if I held on and tried to weather the storm.

But what should I do with my equity?

The stock market was horrible and was going to be horrible through to about 2018 as I saw it (and see it.)

In 2005 I sold all my real estate and bought gold bullion.

Gold remains the best investment. Not gold on paper but real physical gold you store in the bank or bury somewhere.

That was in fact the best investment strategy of all and remains one of the best financial decisions of my life.

Today, the best move is to get out of the stock market and into other investments that are not correlated with the market. That's tough to do but nevertheless it's true.

The stock market is a loser for investors — and here's why

Over the long run the stock market is supposed to provide a return equal to the growth in the underlying economy.

The trouble with that theory is that today the underlying economy isn't growing in the US. It's shrinking.

The government lies to us about the real numbers. What is evident is that wages have been falling, people are in general becoming a bit poorer and this has been going on for about 15 years.

My theory as to why it has been happening has to do with the banks and Wall Street. Quite simply, government policy is to favor the banks and Wall Street at the expense of the Main

Street (real) economy. The banks are “too big to fail” and when they make money, their shareholders win.

When the banks and Wall Street lose money the taxpayers pay for those losses. Fannie Mae, Freddie Mac, AIG and so forth, and General Motors for that matter, are all enormous losses born by the taxpayers. When they were making supposed profits, their shareholders gained. When they lose, the taxpayers pay.

On a large scale, the banks and Wall Street are sucking life out of those who have saved and those who have consumed less than what they have made.

People who have saved are earning about zero on their money. The US government is keeping interest rates at basically zero so that the banks and Wall Street and the government itself can be rescued.

But this punishes those who have saved to the point where they will eventually lose everything and be broke. That’s where this is all headed.

The biggest losers today are unfortunately the stock market.

The best investment over this period has been gold and will continue being gold. But most investors won’t invest all their savings in gold. “Gold produces no return,” they say. So the rest of this article will discuss an alternative investment approach for you if you won’t invest in gold.

(Disclaimer: I can’t know I’m right and I can’t take responsibility for what you invest in or if you lose money or not. ‘Nuff said.)

What Warren Buffett said

Warren Buffett is unarguably America’s greatest investor. By age 32 he had become a millionaire, and this was back in 1962 when a million was a lot more than it is today, a LOT more. Not many years later, Buffett was worth \$620 million, making him one of the world’s richest men.

Is this a man worth listening to?

What Buffett said that sticks in my mind and should stick in yours is Never Lose Money.

I know that sounds ridiculously simple. Almost like “get plenty of sleep” or “buy low sell high”.

Truisms that don’t seem to really contain much in the way of information.

But let me give you an example of what Buffett meant.

Invest locally in something you know about

There are always tons of investment opportunities. Every opportunity has a short fuse. It is here today and will be gone tomorrow.

Intel is one of America’s all time greatest companies. In some years it has been one of the world’s most profitable companies.

Warren Buffett was offered an investment in Intel and he turned it down.

Why?

Because he didn’t understand Intel and Buffett won’t invest in something he doesn’t understand.

“Never lose money.” That means, to Buffett, never invest in a company that he doesn’t understand.

I was pursuing corporate development partnerships and I heard about this young company in Texas with a most interesting business model. I called and spoke to top officers. I was working on arranging meetings with them to do deals with them. Somehow, our deals never worked out and the meetings never quite came off.

One puzzling factor was that I really couldn’t understand this company’s business. It was just a mystery how they made money. It seemed very complicated.

I’m glad the deal with that Texas company never went anywhere. That company was Enron, and the reason I could never figure out it’s business was that it was a fraud and had no real business.

Never lose money. Never invest in what you do not understand.

Sure, Buffett could have invested in Intel. But you and I could invest in a fine painting and have no idea if it was a real Picasso or a forgery. We could invest in an Enron and have no idea it was a fraud. Buffett could invest in Intel and have no idea if it was real or not, and if it was real, what Intel should do or not do.

Never lose money. To Buffett this means, never invest in what you do not understand.

Let’s compare rich and poor Americans for a moment. Rich Americans have their money in a handful of places. They know what they are investing in, and they understand it. Most rich Americans have their money in one of two places.

One, a business that they founded and that they thoroughly understand.

Or two, in real estate investments that they thoroughly understand.

A well-understood business or well-understood real estate investments.

Never lose money means to rich people that they stick to investments they understand.

What about you? What do you invest in?

Middle class, or what I will call poor, Americans give their money to idiot Wall Street stockbrokers and invest in stocks where they have zero control, and they are pawns in the Great Game of Wall Street.

Middle class Americans always lose money in the stock market over most time frames. From 1982 to 2000, the stock market was a great investment for everyone, but now, 11 or 12 years later, the stock market has brought nothing but grief and will continue doing so for a number of years more.

Yet Americans gamely put their money in the stock market. They allow themselves to be deceived and they do not understand the stock market investments they have made.



This house of girls is made possible thanks to local real estate investors. Photo courtesy of <http://www.flickr.com/photos/11638547@Noo/>

Never lose money means never investing in what you do not understand.

Let's compare that with investing in good cash flowing notes secured by real estate. You have a borrower who has an income and you have that income going to pay your note. You have a security interest in a piece of property, so if the borrower can't pay then you can take back a good property and end up with a windfall.

That is an investment that is easy to understand.

What most Americans don't realize is that they can put their IRA or 401K money into buying such notes. They, or you, can get returns of 8% to 15% fully secured, or even returns that are much higher than that with a bit of work. Returns of 30% or 60% or 200% cash-on-cash are not uncommon.

Plan A is to make the loan and collect the interest.

Plan B is to get the loan paid off early. The note was purchased at a discount, so \$100,000 in loans was purchased for \$80,000. If the borrower gets an FHA loan in a year, your \$80,000 becomes \$100,000 in a year, together with the payments you've already collected. That's a cool \$108,000 collected on \$80,000 in a year.

Is that impressive? Is it easy to understand? Can you easily lose money?

No, you can't easily lose money unless the property value drops huge, and property values have already dropped huge and are bottoming out in most places.

Plan B can happen if the borrower can't pay. You get the property back. You get a property that may be valued at \$150,000 and you've invested \$80,000 in it, maybe a little more. Plan B is so lucrative you have to avoid praying for default, praying for the borrower to give up, because that isn't nice.

But if the borrower does go belly up, you win.

You win either way in most cases, in fact in every case just about if you are careful. It's easy to be careful and it's easy to understand these investments.

Never invest in what you can't see. Never invest in houses or notes in some distant place. See legitimate appraisals before you invest. Look over the situation and the borrower and the history of the note.

This isn't rocket science. It's easy to get good at it.

I welcome you to access all of our alternative investment resources at: FinancialSuccessInstitute.org

Roth and Traditional IRA Plans: How to buy real estate or invest in a business that you could not otherwise afford if you had your money broken up into several small IRA or 401K plans

December 17th, 2011

If you have accounts like IRAs in different places, you will want to read this CAREFULLY.

Bill writes:

Richard... i'm trying to understand the 'flexibility' of some of your strategies, especially for people like myself who do NOT have a 401k account... but DO have some ira's and Roth accounts already in place. Would your "check-book" approach work for instant access to some of these funds as well, ...would that leave the principle still 'technically' in the accounts , free of taxation, while i am 'paying interest' to myself for the assets i am buying??

(building my own retirement account...)

...can mortgages to some family members also be 'funded' through these accounts, so that family members can give me a decent return on my retirement funds instead of being gouged by bankers, and taxed by the government for the 'privilege'...??

...you certainly inspire some new strategies, and point to several 'escape routes' that i've never considered before...
Thanx ———

Bill, with my approach, you can transfer your funds into a single Checkbook Retirement Plan solo 401K and then have instant access to these funds. There are many investments you can make simply by writing a check.

You concentrate your buying power when the funds are all together in one Plan. You can do a lot more with your money pooled in one place than you can with separate littler accounts.

You can also in most cases have both Roth and non-Roth money in the same Plan. This is a huge advantage over separate accounts.

And you just write checks for what you want to invest in.

For some of the other strategies, you write a check and have some simple paperwork to document the transaction.

My system lets you pay off debts. Loan money to children. Buy your dream house that you will sooner or later move into. All while building your retirement plan, mostly all tax deferred or tax free.

You can be your own bank this way and stop paying high interest and being beholden to the banksters. And most of the transactions are tax free or tax deferred.

If you want to be on the last webinar we will do in this series, first read a few words from one of the attendees last night:

I just got done listening to your webinar. I have already signed up for part 3.

It is such a pleasure to listen to someone that truly wants to help others with your knowledge. There are so many financial and real estate “gurus” out there that are soaking people out of the money that they don’t have with “solutions” and “money making programs”, only to find out that they are making their income selling them, not from using their own programs themselves.

I am totally on board with your offer to get set up in a Checkbook Retirement Plan using a solo 401K. I had not heard of this before, and thought that a self-directed IRA was the best vehicle to put my \$100K into. At least I knew enough to get the money out of the company 401K with its limited choices for investments.

As we move forward I am sure you will need more details from me and I am happy to provide you with anything you need.

I trust you will help many people with what you are offering, and I am looking forward to working with you and your team to straighten out my financial future.

If you want to get on board the last webinar we’ll have on this, here are the details.

I’ll be disclosing advanced strategies for using your retirement cash to buy houses (WITHOUT landlording), apartment buildings, or a business.

How to loan money to your kids from your retirement account.

How to help your kids buy a house.

How to buy gold or silver coins with your retirement account, coins you can HOLD and that aren’t subject to whatever the banks are doing to us now or in the future (off the grid savings.)

How to buy your dream house USING retirement cash.

How to settle your amounts on cards for a FRACTION of what you owe, using your retirement cash to make small lump sums to the banks and be free of this ball and chain you’ve been carrying around (works for cards, medical bills, HELOCS...)

I will be showing you how to get a consultation from one of the most senior pension consultants who has done thousands of these plans.

And how to get hand-holding and coaching that will help you take your new checkbook and write some checks for some outstanding deals.

I won’t have people in my program who just leave their money sitting there in some stooopid account. My job isn’t done until you are out of owing ANYONE and on with a life of wealth and comfort. Please visit us at [FinancialSuccessInstitute.org](#).
