

Self Directed IRA Custodians - Risks Investors Must Know About

Hello,
I'm Richard Geller, CEO and operating manager of [FinancialSuccessInstitute.org](#). If you are not already a regular reader and subscriber to the vital information and resources provided by the Institute, I encourage you to visit the website and signup now at: [FinancialInvestmentInstitute.org](#). The Institute is devoted to researching and pointing out new high paying alternative investments that you can hold in a self directed IRA or real estate IRA or self directed 401K. In this issue of our newsletter, we focus an important subject that investors working with self directed IRA custodians absolutely need to know about.

Today's newsletter divulges a serious risk investors take when working with self directed IRA custodians. Most investors are aware that Wall Street financial advisors have repeatedly plunder investors retirement accounts. The same risk exists when investors think they have full control of their retirement account but in reality the self directed IRA custodians are in control of the assets.

No one cares more about you becoming wealthy than you do and no one else should. You'll do much better taking full control of your financial future starting today! The way to do that is with a self directed 401K. At [FinancialInvestmentInstitute.org](#) you'll learn exactly how to do it!

Please visit us at [FinancialInvestmentInstitute.org](#) to leave general questions and comments. However, we cannot give direct advice because we don't know the details of your situation or all the laws in your state regarding securities and investments.

Thanks and Wishing You Great Success With Your Investing,
Richard Geller

Self Directed IRA Don't Let Financial Institutions Steal Your Assets

December 31st, 2011

If you own or are thinking about opening a self directed IRA, you need to read this [zerohedge.com](#) post about what MF Global did immediately before going into bankruptcy. Here's a snippet:

The bottom line is that apparently some warehouses and bullion dealers are not a safe place to store your gold and silver, even if you hold a specific warehouse receipt...

The customer assets were stolen, and given to at least one major financial institution by MF Global to satisfy an 11th hour margin call in the week of their bankruptcy, even as MF Global was paying bonuses to its London employees...

Get your money as far away from Wall Street as is possible. And if you want to own gold and silver, take delivery and store it in a secure private facility outside the fractional reserve system.

This isn't self directed IRA theory. It really happened. Even if your self directed IRA consists of physical assets like gold and silver, in a bankruptcy, the trustee can seize your self directed IRA assets from a warehouse and liquidate them.



Self directed IRA - Is Your Gold Really in the Custodian's Vault? Photo courtesy of www.flickr.com/photos/luigi_and_linda/4708248431/

Here at Financial Success Institute, we aren't naysayers. We offer solutions to the self directed IRA dilemma. For the majority of self directed IRA owners, the best answer is rolling over your self directed IRA into the vastly superior self directed 401K.

The first big difference you'll notice between the self directed IRA and 401K is you don't need a third party custodian with a 401K. Unlike the self directed IRA, you can be your own custodian for a self directed 401K. No more concern that next week you'll read a headline about your self directed IRA custodian going bankrupt and cleaning your assets out of their vault. With a self directed 401K, you can keep your gold in your own safe.

To learn more about the differences between the self directed IRA and the self directed 401K, be sure take advantage of the free offer of the Self Directed IRA vs. Self Directed 401K Special Report. A few highlights from the report are:

- The 401K allows annual contributions as high as six times what the self directed IRA allows.
- You can take out a personal loan from a self directed IRA but a self directed 401K can loan you up to \$100,000.
- A financial Success Institute secret and fully legal way your self directed 401K can be used to drastically reduce and pay off personal debt. Something your self directed IRA is not able to do.



Roll your self directed IRA to a 401K, pay off debt, fully fund your self directed 401K, retire rich, and to the good life. Photo courtesy of www.flickr.com/photos/saeba/4491911679

One cool result from paying off crushing debt is you can then begin contributing more to your self directed 401K retirement account. This is a double bonus you don't get with a self directed IRA. First, you pay off the debt with a loan from your self directed 401K. Now, you're paying a reasonable amount of interest plus it goes into your retirement account. Second, your monthly debt payment will be substantially less. That leaves more money to contribute to your self directed 401K each month. The self directed 401K has the self directed IRA beat every way you look at it.

In summary, don't risk the assets in a self directed IRA with a third party that can steal them. While the self directed IRA is right for some people, you get the same benefits from a 401K and much more than is available from a self directed IRA.

Visit FinancialSuccessInstitute.org to learn how to take full control of your financial future and eliminate the risk self directed IRA custodians will abscond with your retirement funds!

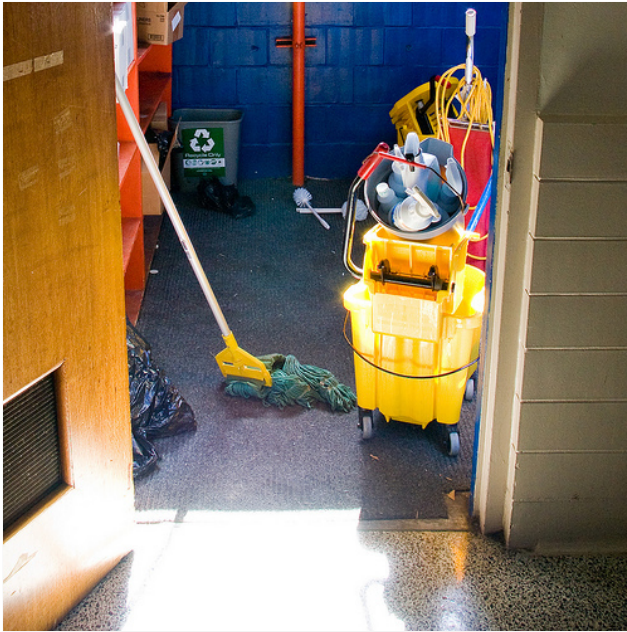
Self Directed IRA Custodians - Are They Exposing Your IRA to a Terrible Danger?

December 31st, 2011

Self Directed IRA Custodian – what they SHOULD be telling you but they're NOT

An IRA requires a custodian. The custodian is in essence the trustee. They are in charge of holding your IRA assets.

You the owner of the IRA don't get to hold your own assets.



Where's the self directed IRA custodian mess? Anyone see a clean mop? photo courtesy of flickr.com/photos/booleansplit/

A self directed IRA is a bit different. The idea of the self directed IRA is that you the owner should be able to control your assets. But you don't really get to hold them and you certainly don't get ultimate control.

The self directed IRA custodian must approve whatever you do.

The problem is that the self directed IRA is a stretch in law anyway. The tax code never envisioned a self directed IRA custodian who would let you make your own investment decisions. So the self directed IRA custodian layers on an LLC.

Self directed IRA custodian LLC

The custodian sets up an LLC that is owned by the IRA and you can have the right to manage the LLC. An LLC is pretty flexible, almost the ultimate in flexibility as to how it is owned, how profits and losses are distributed, and how it is managed.

The trouble is that it is all too easy to invest your self directed IRA and make a major mistake:

Beware the personal guarantee trap for your self directed IRA

One of the biggest mistakes you can make is to personally guarantee anything having to do with your self directed IRA.

If you are managing the LLC that is owned by your self directed IRA then you can't personally guarantee any sort of debt by that LLC.

This is a huge pitfall in the self directed IRA custodian don't tell you about. If you sign a brokerage application that specifies any sort of personal guarantee, you're sunk.

And your IRA is then treated as "fully distributed." For instance, one brokerage agreement that all IRA holders must sign says:

You reserve the right to require full payment, or an acceptable equity deposit, prior to the acceptance of any order. I will have the required cash, available funds or equity in my Account prior to the execution and/or settlement of a purchase or short sale transaction, and the required securities in my Account prior to the execution and/or settlement of a long sale. If I do not have sufficient funds or securities in my Account, you have the right to liquidate or buy in securities at my expense, and I will be responsible for any cost or loss.

f. Payment of Indebtedness Upon Demand. I will be liable for the payment upon your demand of any obligations owing in my Account, including the reasonable costs incurred in collecting such amounts.

It is possible that this may constitute a personal guarantee of an IRA balance, and therefore make the entire IRA "fully distributed" under the IRS code.

Not good.

Owning gold inside an LLC in your self directed IRA may make it a collectible

In private letter ruling 200217059 the IRS said:

Sections 408(m)(2)(C) and 408(m)(2)(D) of the Code define collectible, for purposes of section 408(m) of the Code, as including any metal or gem and any stamp or coin, respectively. The only exception to classifying bullion as a collectible, for purposes of section 408(m), relates to any gold, silver, platinum, or palladium bullion of a fineness equal to or exceeding the minimum fineness that a contract market requires for metals which may be delivered in satisfaction of a regulated futures contract, if such bullion is in the physical possession of a trustee. This limited exception applies only if a certain type of bullion is in the physical possession of the IRA trustee. In this case, all of the bullion coins and bullion bars at issue are in the physical possession of Company M or Company N, not the IRA trustee. As a result, this exception is inapplicable.

A word to the wise is to ask your self directed IRA custodian about owning gold or silver inside an LLC if that is what you are doing. I can't give you tax or legal advice and we do our best to be accurate but anything we say here could be wrong, could not apply in your case, or could be a matter of opinion where our opinion differs from that of a judge or tax court or hearing officer. Just keep it in mind.



Your self directed IRA custodian isn't all seeing and all knowing. What if they are making a terrible mistake with your IRA? Could that have severe tax consequences you are unaware of at this point? photo courtesy of flickr.com/photos/naq/

These are only a few of the pitfalls of the self directed IRA custodian isn't telling you about. I would get a copy of our comprehensive report on the IRA vs. the 401K and you can see how a self directed 401K can offer much superior investment, tax treatment and asset protection than a self directed IRA.

Don't get a self directed IRA until you read this dangerous report!

Click on the eBook icon for your free copy.

written by Richard in *Free Reports*



We've gone to some of the foremost experts who make their money AWAY from Wall Street to put together this report showing you how you can possibly convert to a MUCH better retirement account option that most people don't know about

- Pool most/all of your present IRAs into one "super account"
- Buy rental properties, mortgage notes, or your dream home INSIDE your retirement account
- Get tax free income for life with MUCH higher potential returns than you'll ever get from an annuity
- Buy and HOLD gold and silver coins so you have them PHYSICALLY in your possession, but they are owned inside your retirement account
- Works even if you have a J-O-B, even if your J-O-B already has a 401K for you