



How a Self Directed IRA Checkbook Account Keeps Your Retirement Funds Out of Harms Way

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 sign up 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 checkbook account or real estate IRA or self directed 401K.

In this issue of our newsletter, we focus on the 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 custodians instead of taking full control with a self directed IRA checkbook account. Most investors are aware that Wall Street financial advisors have repeatedly plundered investors retirement accounts. The same risk exists when investors think they have full control of their retirement account but in reality the custodian has control of the self directed IRA checkbook instead of the account owner. Therefore they custodian is

in control of the self directed IRA checkbook assets.

The way investors do take full control of their financial future is with a self directed IRA checkbook account. You'll learn more about the important difference between you controlling your assets and leaving them vulnerable to custodial carelessness or neglect in this newsletter and at [FinancialInvestmentInstitute.org](#).

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 IRA checkbook account or the even safer self directed 401K. You can learn why the self directed 401K is the ultimate retirement account by reading the newly published and authoritative book on the subject: [Wall Street Won't Make You Rich - That's Your Job](#).

At [FinancialInvestmentInstitute.org](#) you'll learn exactly how to retire wealthy when you take control of your financial future!

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

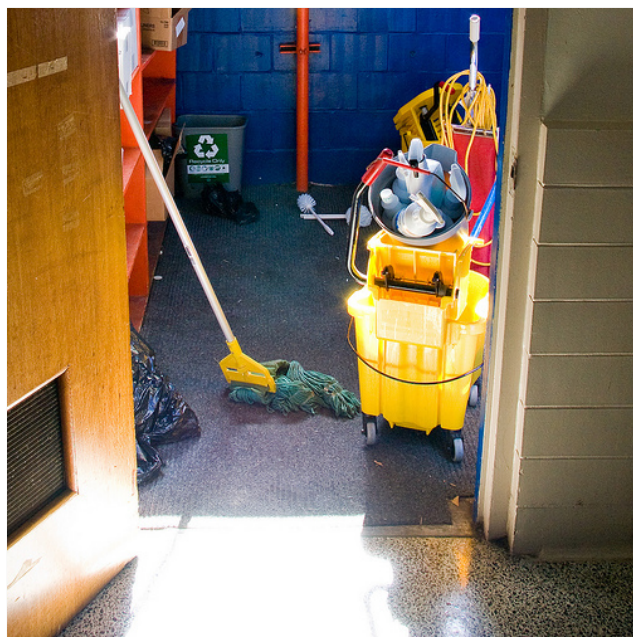
Self Directed IRA Custodian - Are They Exposing Your IRA to a Terrible Danger?

January 15th, 2012

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!

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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

Real Estate IRA or Stock Market Forecasts?

January 15th, 2012

Real estate IRA...holding property inside a real estate IRA means you hold a tangible and predictable asset. Conversely, stock markets depend on events no one can predict. Year-end will bring a plethora of forecasts how the stocks will perform next year.

The Secretary of the Treasury says this about predictions:

"Our best plan is to plan for constant change and the potential for instability, and to recognize that the threats will constantly be changing in ways we cannot predict or fully understand."

– Timothy Geithner



You can feel and touch real estate IRA investments. No crystal ball needed. Photo courtesy of: <http://www.flickr.com/photos/in2thewoodz9/4048776702/>

A Real Estate IRA is Highly Predictable

Preparing for his appearance on the TV show *Alberta Primetime*, Jim Yih writes in his [retirehappyblog](http://retirehappyblog.com) – “Spending an hour trying to predict the future movement of the stock market is an hour wasted in your life.”

However, spending a few hours studying your local market before investing your real estate IRA will pay real dividends. Historically property values rise. Still, no one can guarantee what happens in your local market but a real estate IRA invested in one of the many deeply discounted opportunities available, creates a nice cushion if the market retreats slightly. Opening a real estate IRA today means buying low to sell high. Also, your real estate IRA can generate passive income by acquiring a rental property. The income makes property value fluctuations less important while adding income to your real estate IRA.



Bank Owned is one of many sources of deep discounted properties for your real estate IRA. Photo courtesy of: <http://www.flickr.com/photos/nickbastian/4117185183/>

Another thought Yih had about market forecasts, “Pundits, Gurus and experts go to great lengths to try to either try to predict the stock market or they try to at least explain the stock markets with a myriad of theories. I try to read as much as I can and what I have found is there are more theories and explanations than ever preserved by the world wide web.”

Thinking how real estate IRA investing is much more secure than depending on stock predictions brought a TV commercial to mind. I don’t recall the investment house running it but it boasts about their ability to convert diverse information into accurate market predictions. Something about using the price of tea in China, the future demand for steel in the U.S., and a crop failure in Brazil to accurately predict the direction of the markets. A real estate IRA is much less complicated and highly secured.

Instead of trying to predict the markets, it makes more sense opening a real estate IRA to invest in something you understand. There are a lot fewer variables with a real estate IRA. You don’t need to worry about the price of tea in China. A real estate IRA enables you to calculate different scenarios to find your maximum profit. Every way you look at it, the real estate IRA has stock investing beat hands down.

Yih wraps up his blog warning,

Don’t get caught up in thinking the stock market can be your secret way to get from rags to riches. That kind of speculation is about as risky as the casino or lottery and we know the odds of winning at that game. And his final thought is, “Some people will argue that if it’s too hot in the kitchen, then get out but also know the consequence of getting out . . . there’s not much for alternatives. Others seek safety within the market but I think it’s best to find safety outside the market.

My sentiment exactly. Investing outside the market with a highly secure real estate IRA is much less risky than stock markets. Make a New Year resolution to invest in a real estate IRA.

If you’re not sure [how a real estate IRA works](http://FinancialSuccessInstitute.org), follow the link for more information. You can learn about [real estate IRA strategies here](http://FinancialSuccessInstitute.org). Go here if you’re still not convinced a [real estate IRA is vastly superior to stock markets](http://FinancialSuccessInstitute.org).

Be sure to leave a comment or ask a question after reading this real estate IRA article.

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