

Learn the Secrets:

The Next BIG Opportunity: Have You Heard?



**crowd
Funding**



75 Livingston Avenue, 3rd Floor | Roseland, NJ 07068
973-533-1880 Phone | 973-533-1088 Fax | 888-857-8058 Toll Free

www.NextGenerationTrust.com

White Paper



Learn How to Get Involved Today!

What is Crowdfunding?

Crowdfunding is a new type of investment structure that is exempt from most of the securities laws so long as certain conditions of the crowdfunding transaction are completed. It is likely that crowdfunding will become very popular with self-directed retirement plan investors, particularly those who want to invest in Roth IRAs. This is because the investments are usually small but may potentially produce large returns since they are typically made in startup companies, generally associated with large risk.

One of the many benefits to crowdfunding is that it allows your average investor to purchase equity in startup businesses – Accredited Investors (see below) are no longer the only people who can take advantage of startup business investments.

What is An Accredited Investor?

An accredited investor is generally defined by the IRS as:

- A person with \$1M net worth, excluding the value of residence; or
- A person with an annual income of \$200K (\$300K if married).

The benefit of crowdfunding is that accreditation and high net worth to invest in Private Placements and startup companies are no longer required.

How is it Different from Kickstarter?

Although Kickstarter and crowdfunding are very similar in that they assist in funding the startup process, they differ slightly in the way investors are able to invest. Unlike Kickstarter where investors may receive perks in exchange for assistance with funding, crowdfunding allows investors to invest in the company's equity. This means that crowdfunding not only allows for the potential to have a greater return on your investment, but it allows you to make money as the company grows and takes off.

What is the JOBS Act?

The Jumpstart Our Business Startups (JOBS) Act was signed on April 5, 2012 by President Barack Obama, and was what made crowdfunding a lawful practice. The stated objective of the act is “reopening American capital markets to emerging growth companies.”

Most importantly, the JOBS Act created a new securities exemption to help companies raise money from investors (including their IRAs) more easily. Crowdfunding allows small companies to raise small amounts of money from many different investors, thereby minimizing the risk and amount of loss that each investor may bear. The idea is to spread out the risk of loss amongst the “crowd.”



Please scan the QR Code on the right to visit Next Generation's webpage where you will find helpful tips and hints on how to open and fund a self-directed retirement plan.



How Can I Get Involved?

Although the JOBS Act has made crowdfunding lawful, the Securities and Exchange Commission (SEC) is still working on developing rules and regulations. Until they have fully fleshed out a list of rules and regulations for investors and the IRS to follow, investors waiting on this new investment opportunity are at a bit of a standstill. The estimate is that the SEC will publicize rules in the first quarter of 2013.

Please Note: Crowdfunding transactions **ARE NOT LEGAL** until the SEC develops the rules and regulations.

What Can We Expect From SEC Rules & Regulations?

Some of the **PROPOSED** crowdfunding exemption key points are:

- \$1,000,000 annual cap on the amount of money a company may raise in a crowdfunding offering.
- **Investor Limits on Investment:** The amount an investor (or their IRA) may invest into a crowdfunding transaction is based on the annual income or net worth of the investor. The amount an investor can invest is limited by the greater of \$2,000 or 5% of the annual income or net worth of an investor, if either the investor's net worth or annual income is less than \$100,000; and 10%, not to exceed \$100,000, of annual income or net worth of an investor, if either the investor's annual income or net worth is equal to or greater than \$100,000. So, in summary, a crowdfunding investor may invest between \$2,000 and \$100,000 depending on their net worth or income.
- The company raising the funds must provide disclosure documents to a potential investor outlining the company and the investment, the management, and the financial condition of the company (similar to Private Placement Memorandum documents).
- The transactions must be conducted through a new type of intermediary that will be regulated by the SEC called a "Crowdfunding Portal." These transactions will not be considered valid without a registered Crowdfunding Portal acting as an intermediary.
- Investors do not need to be accredited investors and the amount an investor can invest depends on their income or net worth. At a minimum, an investor can invest at least \$2,000 annually.
- Public solicitations for investors should be permissible.

Please Note: The above information is subject to change and is only a prediction of what investors can expect once the SEC makes their final ruling on what the rules and regulations for crowdfunding will be.

A Special Thanks...

Next Generation Trust Services would like to thank the following for information on crowdfunding:

- Securities and Exchange Commission (SEC)
- Sherwood Neiss, co-founder of Startup Exemption
- Brian J. Burt, Partner and Chair of Emerging Business Group, Snell & Wilmer L.L.P.

Disclaimer

The information in this packet is subject to change. Next Generation Trust Services is not responsible for any changes made to the above information by the Securities and Exchange Commission (SEC), IRS, or any other governing authority. This white paper is merely an informative document to keep investors in the loop about the “next big investment opportunity.”

Furthermore...

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About Next Generation Trust Services, LLC



Next Generation Trust Services, LLC, based out of Roseland, New Jersey, specializes in comprehensive account administration and transaction support services for self-directed retirement accounts. Next Generation Trust Services (www.NextGenerationTrust.com) is not a bank, financial planning service, or a brokerage house. The firm serves as the administrator for the assets owned by clients in their self-directed IRAs, which they control themselves as they build wealth through alternative investments allowed in these retirement accounts.

The neutral third-party professionals at Next Generation provide education and guidance about the various aspects and advantages of self-direction as a retirement strategy, and the support needed to maintain these accounts. Next Generation holds the funds, provides administrative assistance, and files and manages all mandatory paperwork pertaining to the transactions for savvy investors who are interested in directing their IRAs and making their own direct investments. For information on self-directed IRAs or to open an account, contact Next Generation at (973) 533-1880, toll-free at (888) 857-8058, or by email at Info@NextGenerationTrust.com.

About Jaime Raskulinecz



Jaime Raskulinecz is the CEO and founder of Next Generation Trust Services in Roseland, New Jersey, which specializes in comprehensive account administration and transaction support services for self-directed retirement accounts. She was inspired to start her own firm in 2004 due to her desire to make real estate investments within her retirement accounts, and being unable to find a company to help her make these transactions. The firm was originally founded as part of a national network of third-party administrators of self-directed retirement plans; Ms. Raskulinecz led the company from start-up to over \$150 million in holdings in just five years. She decided to break away from the national network to start her own truly independent firm and in 2011 the company emerged as Next Generation TS, LLC, an independently owned and operated corporation. Next Generation currently holds close to half a billion dollars (\$500,000,000 USD) in assets.

A long-time real estate investor herself, Ms. Raskulinecz has worked full-time in the real estate industry since 1994 and is a certified property manager (CPM). She is a New Jersey licensed real estate broker and an active member of many national and statewide real estate organizations. She is also the CEO and a principal of Rainbow Property Management, a real estate management firm which is one of only 19 firms in New Jersey to be awarded the prestigious Accredited Management Organization credential from the Institute of Real Estate Management.

A recognized expert in the field of real estate investing within self-directed retirement plans, Ms. Raskulinecz has been interviewed frequently by and has contributed articles to prominent real estate and investment publications. She was recognized by Real Estate New Jersey as one of its 50 Women of Influence for 2008 and 2009, by the New Jersey Association of Women Business Owners (NJAWBO) as one of the 30 Most Successful New Jersey Women Business Owners (2008), and by NJBiz as one of New Jersey's Best 50 Women in Business (2009). She was honored by the Essex chapter of NJAWBO as its 2011 Business Woman of the Year and in the fall of 2011 by Own It Ventures and New Jersey Monthly magazine as a Leading Woman Entrepreneur of the Year.



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