



“ The AdvantaIRA Self-Directed Individual(k) Plan gave me the largest contribution amounts, the largest tax deductions and increased my retirement income, all at the same time. ”

Self-Direct Your Individual(k) Funds

Take Advantage of Accelerated Contribution Limits with Enhanced Flexibility

Welcome to AdvantaIRA

A self-directed plan enables you to invest your retirement funds when, where, and how you want. You have the ability to choose from a variety of investments, such as mortgages, notes, real estate, private placements, and more. And by diversifying your investments, you'll secure your retirement more effectively.

What is an Individual(k)?

An Individual(k) plan is a cost-effective 401(k)/profit sharing plan for small business owners. The Individual(k) has 401(k)-like options for sole proprietors or small business owners. The plan offers the highest contribution amounts and lower administration fees of all plans.

Consider an Individual(k)

The Individual(k) was designed exclusively for owner-only and small businesses with no employees or if the employees fall outside of certain guidelines (works less than 1,000 hours or are under 21). Be sure to verify this exclusion information with your local AdvantaIRA representative to avoid increased plan fees.

As of January 1, 2006, individuals are allowed to claim a portion of their contributions as Roth contributions, thereby taking advantage of the potential for tax-free growth.

Consider an Individual(k) if you are a sole proprietor with no additional employees other than your spouse or partners.

Key Advantages

1. Largest Contribution Amount

Of all retirement plans, the Individual(k) allows you to contribute the most money to your retirement plan.

2. Largest Tax Deductions

As an employer, up to 25% of your contribution is tax deductible, for a maximum amount of up to 25% of your compensation. Elective deferrals can be excluded from the employee's income for federal income tax purposes. Since you don't pay taxes on any investment earnings until they are withdrawn, you have tax-deferred (or tax-free with the Roth) growth.

3. Increased Retirement Income

Because the Individual(k) plan allows you to contribute more than other plans, you have the option of saving more for retirement. If you are employed and compensated by the business, your spouse may also participate in the plan. Due to a change in 2006, Roth contributions are now allowed in an Individual(k). Profits are generally tax-free, provided that distributions are not taken prior to 59 ½ years of age. If you consider the added contribution limits of the Individual(k) with a Roth option, coupled with the potential to earn more with a self-directed account from AdvantaIRA, the result is a very powerful, wealth-generating account.

4. Reduced Business Expenses

Take advantage of lower administration fees than a traditional 401(k) or profit sharing plan. In addition, if your plan owns a "C" corporation, you may have the ability to draw a reasonable salary for the service you provide to the business entity.

5. Non-taxable Loans

You can take a non-taxable loan from the account, provided the funds are repaid within five years and at a reasonable interest rate.



How much can you contribute?

Contribution Limits

Additional facts regarding contributions:

- ◆ Contributions are flexible. No annual contribution is required.
- ◆ Employer discretionary contributions can vary each year, from 0-25% of compensation.
- ◆ Employee salary deferrals are elected by the business owner.
- ◆ Deferrals up to 100% of net income up to a maximum of \$15,500 per year (\$20,500 if over age 50).

Contribution Type	Year	Amount	Conditions
Salary Deferral/ Employee (Pre-tax: Traditional, Post-Tax: Roth)	2008 2009	\$15,500 \$16,500	Maximum annual deferral contribution to Traditional, Roth or combination thereof.
Catch-Up Contributions Age 50 and Older	2008 2009	\$5,000 \$5,500	In addition to the above.
Employer/Profit Sharing Contribution	2008 2009	25% of compensation	In addition to the above.
Overall for Individuals Under Age 50	2008 2009	\$46,000 \$49,000	Combination of deferral contribution and profit sharing.
Overall for Individuals Over Age 50	2008 2009	\$51,000 \$54,500	Combination of deferral contribution and profit sharing.

Individual(k) Investment Options

With a self-directed Individual(k) plan from AdvantIRA you have the ability to invest in real estate, notes, rental property, mortgages and your own business. (Yes! Buying shares of your own business is allowable with your Individual(k) plan.)

Note: Unrelated Business Income Tax may apply.

Investment Techniques with an AdvantIRA Individual(k) Plan

For employers, the Individual(k) offers the highest contribution limits of all of the retirement plans. With your Individual(k):

1. You may contribute cash or property that you own to the plan.

- ◆ If you are a "C" corporation, you may contribute corporate stock, property or cash to the plan AND deduct the contributions within the contribution limits.
- ◆ The value of your contributions cannot exceed the current year contribution limits.
- ◆ These techniques allow you to influx cash into your company from your plan.

2. Your company may lease property owned by your plan.

- ◆ Your plan may purchase property with your plan assets.
- ◆ You may also lease up to 25% of the property for your business with rent being paid to your plan as investment earnings.

3. You have the ability to manage your plan assets with a checkbook. However, you must manage the assets for the benefit of the plan.

- ◆ You must be the trustee of your plan.
- ◆ Expenses must be paid from your plan.

4. Your plan can hold life insurance.

- ◆ If your plan is purchasing term life insurance, your plan may use up to 25% of your annual contribution for the premiums.
- ◆ If your plan is purchasing whole life insurance, your plan may use up to 50% of your annual contribution for the premiums.

5. Your plan may purchase stock from your company.

- ◆ The stock being purchased by your plan may be either "C" Corporation stock or "S" Corporation stock.

6. You may take personal loans from your plan.

- ◆ Borrow up to 50% of your plan assets, as long as it does not exceed \$50,000.
- ◆ The loan must be paid back in five years (unless for a home purchase).
- ◆ The loan must be paid back by making at least quarterly payments with a reasonable interest rate (1% above prime).

Contribution Deadlines

Employer contributions must be made no later than your businesses tax return due date plus extensions.

Individual(k) contributions should be made no later than 15 days after receiving the

Are You Eligible for an Individual(k)?

If your business is a sole proprietorship, partnership, limited liability corporation (LLC), or incorporated business, including subchapter "S" Corporation, you may establish an Individual(k) plan.

Which Individual(k) Should You Choose?

There are several different alternatives, depending on your needs.

1. Traditional or Full Service model

- ◆ AdvantaIRA provides the required documents to establish the plan.
- ◆ AdvantaIRA provides the record-keeping services on your self-directed investments.
- ◆ This option is only available with the Individual(k) Plan.

2. Do Your Own Service Model

- ◆ AdvantaIRA provides the required documents to establish the plan.
- ◆ You perform your own investment record-keeping.
- ◆ This option is only available with the Individual(k) Plan.

3. Enhanced Service Model

- ◆ You have an approved plan document.
- ◆ AdvantaIRA provides the required record-keeping on self-directed investments.
- ◆ This option is available with plan types such as a traditional 401(k), Roth 401(k), profit sharing plans, and employer stock ownership plans.

4. Individual(k) Plan with ROTH option

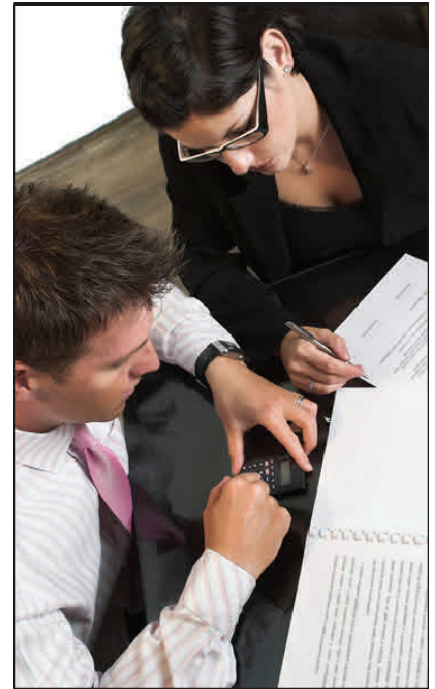
If you choose the Roth option, a portion of your contributions will not be tax-deductible. However, the earnings may be distributed tax free. If you're considering an AdvantaIRA Individual(k), be sure to consult with your accountant or investment advisor.

Reporting and Disclosure Requirements

No annual reporting is required until your assets exceed \$250,000. When your assets reach this amount, you need to file form 5500-EZ annually.

Deadline to Establish an Individual(k) Plan

The deadline to establish an Individual(k) plan is the last day of your fiscal year.



Establishing an Individual(k) plan is easy:

1. Call AdvantaIRA.

Request an Individual(k) Application Kit.

2. Complete the required documentation

Return your signed Individual(k) Application Kit to your local AdvantaIRA office.

3. Obtain a Tax Identification Number.

You need a Tax Identification Number (TIN) for your plan. AdvantaIRA can assist you in obtaining a TIN.

4. Fund your account.

You can either transfer funds from an Plan, or you can make a contribution. Your local AdvantaIRA representative can assist you in making sure that your contribution does not exceed the current limits.

5. Select an investment.

If you're looking for investment ideas, visit the AdvantaIRA Learning Center.

6. Purchase your investment.

Direct your AdvantaIRA representative to purchase the investment with your plan.

When you choose AdvantaIRA, you're choosing the best.

Many companies are new to the area of self-direction. When you work with AdvantaIRA, you are working with experts whose focus is to ensure your success. With over 25 years of knowledge and experience, the professionals at AdvantaIRA thoroughly understand the rules and regulations of self-direction. As an AdvantaIRA client, you'll benefit from:

Freedom to choose your investments. With your self-directed retirement account, you have complete control over selecting and directing your own investments. You can build wealth with investments that you know and understand.

Easy processes. We've streamlined the process, so not only are your transactions handled quickly and efficiently, we've made them easy to understand.

Local experts. AdvantaIRA is the only self-directed Plan administrator with a nationwide network of local experts. Many of our office owners are professionals-- CPAs, lawyers, financial planners, and real estate investors. Our representatives are with you every step of the way, through all your self-directed transactions.

Service the way you want it. If you have questions, we're here to help -- either through your local expert or via our website. Your AdvantaIRA representative ensures that your investment is purchased quickly, safely, and accurately. We guide you through your transactions.

Education. Educating investors and professionals has been the cornerstone of AdvantaIRA for the past 25 years. You have access to our vast library of articles, books, and conference material. The AdvantaIRA Learning Center has assisted tens of thousands of people in unlocking their investment choices through self-directed Plans and 401(k) plans. Attend local seminars, online workshops, client conferences, and more.

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