



a member of

The Entrust Group

Self-Directed Retirement Plan Services

LECTED RETIREMENT PLAN SERVICES | SELF-DIRECTED RETIREMENT PLAN SERVICES | SELF-DIRECTED RETIRE



Self-Direct Your Individual(k) Funds

Take Advantage of Accelerated Contribution Limits with Enhanced Flexibility

“The Entrust 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.”

Welcome to Entrust

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 Entrust 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 Since you don't pay taxes on any investment earnings until they are withdrawn, you have tax-deferred (or tax-free with the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 Entrust, 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.

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).

How much can you contribute?

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

Individual(k) Investment Options

With a self-directed Individual(k) plan from Entrust, 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 Entrust 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).

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

- ◆ Entrust provides the required documents to establish the plan.
- ◆ Entrust 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

- ◆ Entrust 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.
- ◆ Entrust 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.

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 income.

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 Entrust 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.

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

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

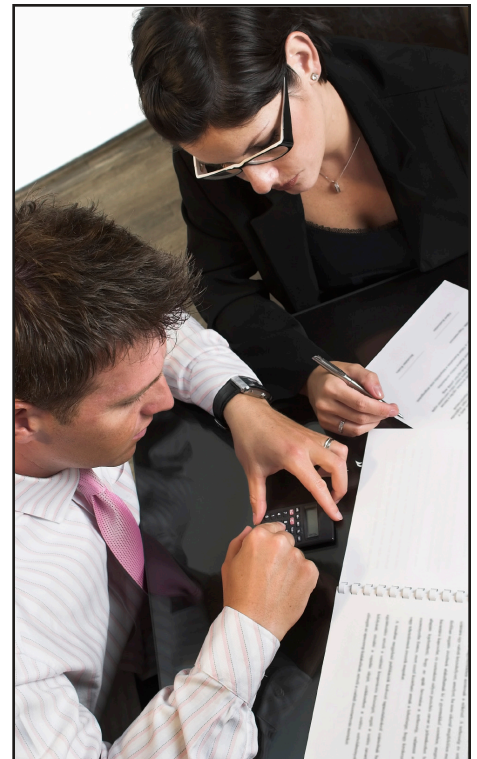
◆ **Freedom to choose your investments.** With your self-directed retirement account, you have complete control over selecting and directing your own investments. You can build wealth with investments that you know and understand.

◆ **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.** Entrust 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 Entrust 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 Entrust for the past 25 years. You have access to our vast library of articles, books, and conference material. The Entrust 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.



Establishing an Individual(k) plan is easy:

1. Call Entrust.

Request an Individual(k) Application Kit.

2. Complete the required documentation

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

3. Obtain a Tax Identification Number.

You need a Tax Identification Number (TIN) for your plan. Entrust 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 Entrust 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 Entrust Learning Center.

6. Purchase your investment.

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