

QUEST SUCCESS STORIES



**How Self-Directed
IRAs Helped These
Investors Maximize
Their Returns**



QUEST TRUST
C O M P A N Y



MISSION STATEMENT

Our mission is to deliver an unparalleled customer experience that caters to your needs. In order to meet those expectations we provide free educational seminars, inclusive networking events, and a positive atmosphere. This avid sense of direction stems from what we maintain to be the foundation of our company, our employees. Here, we believe in cultivating a philosophy that fosters innovation, integrity, and hospitality. By maintaining that ambitious sense of purpose, it allows us to engage competitively in any market for not only ourselves, but for you. For that reason, we here at Quest Trust Company hold true that you; our customers, are the incentive.

WHAT IS A SELF-DIRECTED IRA

A Self-Directed IRA (SDIRA) is an IRA in which the owner directs all investments in the account. Self-Directed IRAs allow the account owner to invest their IRA in what they know best, free from the investment restrictions imposed by a more traditional brokerage style account. There is no legal distinction between a “Self-Directed IRA” and any other IRA except with a truly Self-Directed IRA the account agreement allows the broadest possible spectrum of investments, including those not traded on a stock exchange, with very few limits on what a Self-Directed IRA can invest in.

BENEFITS OF A SDIRA



THE ABILITY
TO DIVERSIFY



TAX
SAVINGS



INVEST IN
WHAT YOU
KNOW BEST



SOCIAL
INVESTING

SDIRA INVESTMENT OPTIONS

REAL ESTATE

SINGLE FAMILY | FORECLOSURES |
COMMERCIAL PROPERTY |
CONDOMINIUMS | OPTIONS |
UNIMPROVED LAND | TAX LIENS

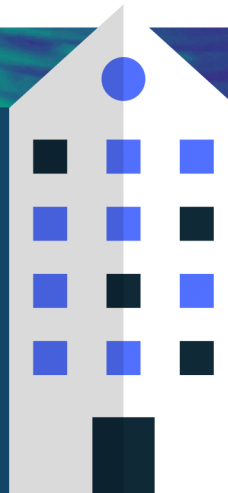


PROMISSORY NOTES

SECURED LOANS | UNSECURED LOANS
MORTGAGES | CONVERTIBLE NOTES SHARED
APPRECIATION NOTES
NET PROFIT NOTES

PRIVATE ENTITIES

LIMITED LIABILITY COMPANIES,
TRUSTS, ETC.



AND MUCH MORE!





CASE STUDY #1

PARTNERING ON A FIX & FLIP

Robert and Linda Jones both had Roth IRAs with Quest Trust.

They also had a Coverdell Education Savings Account (ESA) for their 9-year-old son...



PARTNERING ON A FIX & FLIP



CASE STUDY #1

Robert and Linda are new investors and have started attending real estate networking events. They have not done a deal yet, however, they are homeowners and have a 9-year-old son.

After attending a few educational classes at Quest, they decided they wanted to use their IRA funds to purchase a property in their neighborhood that needed to be repaired. The property had been kept up, but Robert and Linda saw the value it would have after making some repairs. Robert and Linda both had full time jobs and decided that using their Quest Trust IRAs to flip this property was a good way to start their real estate investing career.



PARTNERING ON A FIX & FLIP



CASE STUDY #1

Robert and Linda directed their Quest accounts to purchase the home for \$100,000 and they estimated an additional \$30,000 in repairs. The total cost they would need would be \$130,000.

Robert and Linda decided partner their Roth IRAs, and their 9-year-old son's Coverdell Education Savings Account (ESA) to purchase and repair this home. The split broke down like this:



Robert's Roth IRA 60% - \$78,000

Linda's Roth IRA 35% - \$45,500

Son's ESA 5% - \$6,500

They made an offer to purchase the house in their two Roth IRAs and son's ESA. They provided the necessary investment documents to Quest Trust Company's Transaction team and were able to fund the investment with their IRAs within 24-48 hours. They fix and flipped the property.



PARTNERING ON A FIX & FLIP



CASE STUDY #1

4 months later, they sold the house for \$189,000. The net proceeds were about \$180,000.

The tax-free gains ended up being around \$50,000. The gains split up according to the percentage the Roth IRAs and ESA owned.



Robert's Roth IRA 60% -	\$30,000
Linda's Roth IRA 35% -	\$17,500
Son's ESA 5% -	\$2,500

In the end, they were able to gain tax-free earnings for their accounts and will not have to pay any capital gains tax on this investment. In addition, assuming they take qualified distributions, they won't have to pay any tax for the future as well.



CASE STUDY #2

NOTE SECURED BY REAL ESTATE

Jack Brown wants to loan his money out to another investor.

He has \$100,000 in an IRA...



NOTE SECURED BY REAL ESTATE



CASE STUDY #2

Jack Brown has over \$100,000 in a Traditional IRA. He attends a networking event and meets an investor who is looking to raise capital for an investment home. After exchanging information and doing his proper due diligence on the investor and the deal, Jack is interested and wants to loan \$98,000 from his IRA to the investor as a first mortgage on the home. The home is worth \$140,000. Jack and the investor work out the terms of the note. Some criteria of the note:

- **70% LTV (Loan to Value)**
- **9% Interest Rate**
- **Interest only payments with balloon payment in one (1) year**
- **Minimum loan term of three (3) months**
- **1% loan origination fee**
- **The borrower agrees to pay all costs for legal fees and Quest Custodial fees**



NOTE SECURED BY REAL ESTATE



CASE STUDY #2

Jack has several more things he needs to complete before the deal is finalized. After doing more due diligence, Jack chooses a title company he trusts to prepare the note and closing documentation showing his IRA as the lender. The vesting for this reads as:

**Quest Trust Company FBO [Jack Brown]
IRA [Account Number]**

Jack submits his investment on the Quest Client Portal with his Promissory Note and Deed of Trust. After completing his "read and approved" signatures on all the closing documentation, Quest then signs the documents on behalf of his IRA and wires the funds from his IRA directly to the title company within 24-48 hours. The Deed of Trust is recorded by the title company and held by Quest Trust Company, along with the note and closing documents.



NOTE SECURED BY REAL ESTATE



CASE STUDY #2

POINTS TO REMEMBER

1. You cannot loan your IRA money to yourself or any other disqualified person - *ask a Quest Certified IRA Specialist for more information on Prohibited Transactions- what you can and cannot do with your retirement accounts.*
2. You and the borrower are free to negotiate and set your own loan terms
3. The borrower submits monthly payments to Quest for the benefit of Jack's IRA directly through the non-client payment portal feature at QuestTrust.com.
4. IRAs can loan money unsecured or secured by assets other than real estate, such as equipment or mobile homes.



CASE STUDY #3

PARTNERING ON A RENTAL PROPERTY

John Wood and his associate Jay Wright want to purchase an office condo for \$250,000 within their SEP IRAs...



PARTNERING ON A RENTAL PROPERTY



CASE STUDY #3

John Wood and Jay Wright decide they want to partner their SEP IRAs together (50/50) to purchase an office condo. The condo is worth \$250,000. They each decide to transfer \$150,000 from their IRA brokerage accounts to their newly established Quest Trust SEP IRAs to purchase the property. *They each transferred an additional \$25,000 each to cover any property rehab expenses, if needed.*

John and Jay want to make an offer to purchase the office condo in the names of their SEP IRAs, as follows:

Quest Trust Company FBO John Wood IRA (Account #)
(as of undivided interest of 50%)

and

Quest Trust Company FBO Jay Wright IRA (Account #)
(as of undivided interest of 50%)



CASE STUDY #3

John and Jay each complete a Direction of Investment (DOI) form for Real Estate. They send Quest the forms along with the contract and any other supporting documentation, which has been signed as "Read & Approved" by both.

Quest then signs the contract on behalf of their SEP IRAs and sends the documents to the title company along with an earnest money deposit of \$10,000 (\$5,000 from each of their SEP IRAs).

At closing, John and Jay review and approve all closing documents. The title company then sends the documents back to Quest Trust Company for final signatures. Quest signs the closing documents and wires the funds from the SEP IRAs to the title company for closing within 24-48 hours.



CASE STUDY #3

After doing their proper due diligence, John and Jay hire a property manager of their choosing to oversee the unit. The property manager finds a tenant to lease the unit and handles all the rents and expenses.

The office condo has a positive monthly cash flow of \$850 (\$425 for each SEP IRA) which is tax-deferred.

The property manager submits the net rent proceeds to Quest for the benefit of John and Jay's SEP IRAs directly through the non-client payment portal feature at QuestTrust.com.

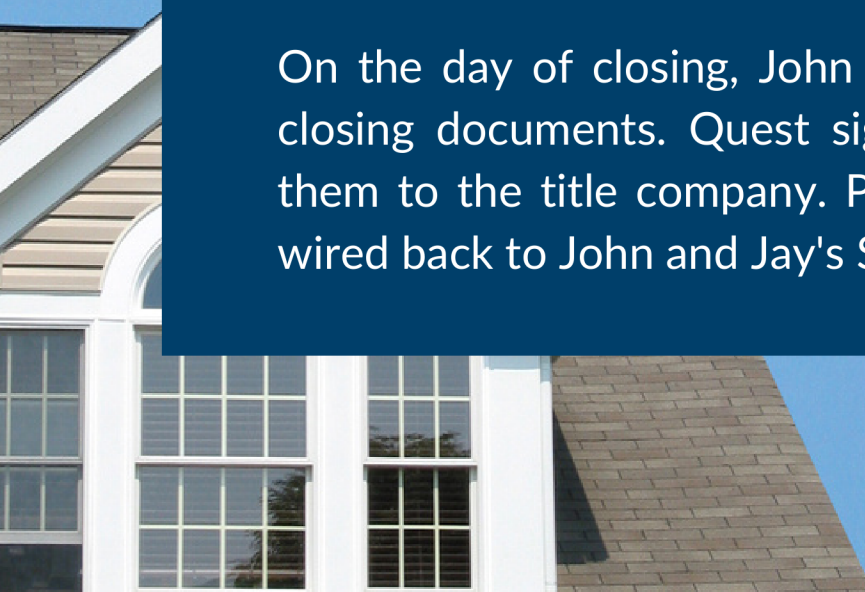


CASE STUDY #3

Two years later, the tenant offers to purchase the office condo for \$395,000.

A Sale Contract is prepared for \$395,000 and submitted to Quest for signatures, after having been signed as "Read & Approved" by John and Jay. They also completed a Direction of Sale (DOS) form for Real Estate.

On the day of closing, John and Jay review and approve all closing documents. Quest signs the documents and returns them to the title company. Proceeds, after closing costs, are wired back to John and Jay's SEP IRAs.





CASE STUDY #3

Realized Return for each SEP IRA

Initial investment	\$125,000
Cash flow over 26 months ($\$425 \times 26$)	\$ 11,050
Gains from Sale ($\$187,500^* - \$125,000$)	\$ 62,500
Proceeds to each SEP IRA after sale	\$198,550

* *Net proceeds after closing costs*

**In total, their tax-deferred gain was
\$73,550 (59%) over 26 months.**



SELF-DIRECTED IRA ROADMAP

5 EASY STEPS TO PURCHASING ASSETS WITH YOUR QUEST SELF-DIRECTED IRA



HOW DO I GET STARTED?

Learn more about how you can save for retirement with non-traditional investing strategies. To go over your options to minimize your taxes and maximize your gains, schedule a complimentary one-on-one consultation with a Certified IRA Specialist today!

CALL US! 281-FUN-IRAS (386-4727)

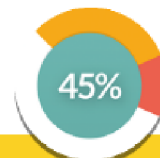
IRASpecialists@QuestTrust.com



The Nation's **FASTEST GROWING** SDIRA Company



24-48HR Turn Around Time with **NO** Expedited Fees



Track Your Investment with our **TRANSACTION TRACKER**



★ **WORLD FAMOUS** Education and Service