

HOW SECURE ARE THE EXCHANGE FUNDS?

"IT'S THE MOST IMPORTANT QUESTION TO ASK AN INTERMEDIARY"



Compliments of

BEWARE

Security of the exchange funds is paramount to all other aspects of an exchange. Many property owners are not aware that, with the exception of minimal regulations in the state of Nevada, "Qualified Intermediary" companies are not overseen by the federal government or any national regulatory entities! The bottom line is that you have to determine whether the company selected can provide sufficient protection and financial security, in writing, before proceeding with any 1031 exchange.

INVESTIGATE THE SECURITY PROVIDED

It is critical to examine the differences between "Qualified Intermediary" companies. Most investors are not aware that exchange companies can often hold millions, and sometimes hundreds of millions of dollars, at any point in time. It is important to compare the true security that can be provided *in writing* when comparing many "independent" companies versus a subsidiary of a large parent company. Does a bond, even one for \$10 million or more, really provide a great degree of additional security? The answer is "no." Any loss above the bond amount is not covered by the bond and can leave investors unprotected.

BETTER THAN BONDED!

Asset Preservation, Inc. is proud to offer all four of the "safe harbors" provided in the Treasury Regulations. Our many levels of security, backed by a written "Letter of Assurance" from Stewart Title Company, provide Exchangers with the highest degree of exchange proceed security.

QUESTIONS TO ASK AN INTERMEDIARY

1. **Where will the exchange funds be held?** (*If held in a bank, are you aware that FDIC coverage is only for \$100,000 per account?*)
2. **In what type of account are the funds invested?**
3. **Are separate accounts set up for each client?**
4. **What are the requirements for the withdrawal of any exchange proceeds?** (*Is the Intermediary authorized to move funds without the Exchanger's written approval?*)
5. **Is the notarized signature of the Exchanger required for moving funds at all times?** (*What written documents specify this requirement?*)
6. **Can a written "3rd Party Guaranty" be provided to all Exchangers?** (*Is this backed by a recognizable entity with an established track record and sufficient assets to cover a potential loss of exchange proceeds?*)

Call the professionals at Asset Preservation. We are confident you will find our security to be unparalleled!



A National IRC §1031 "Qualified Intermediary"

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