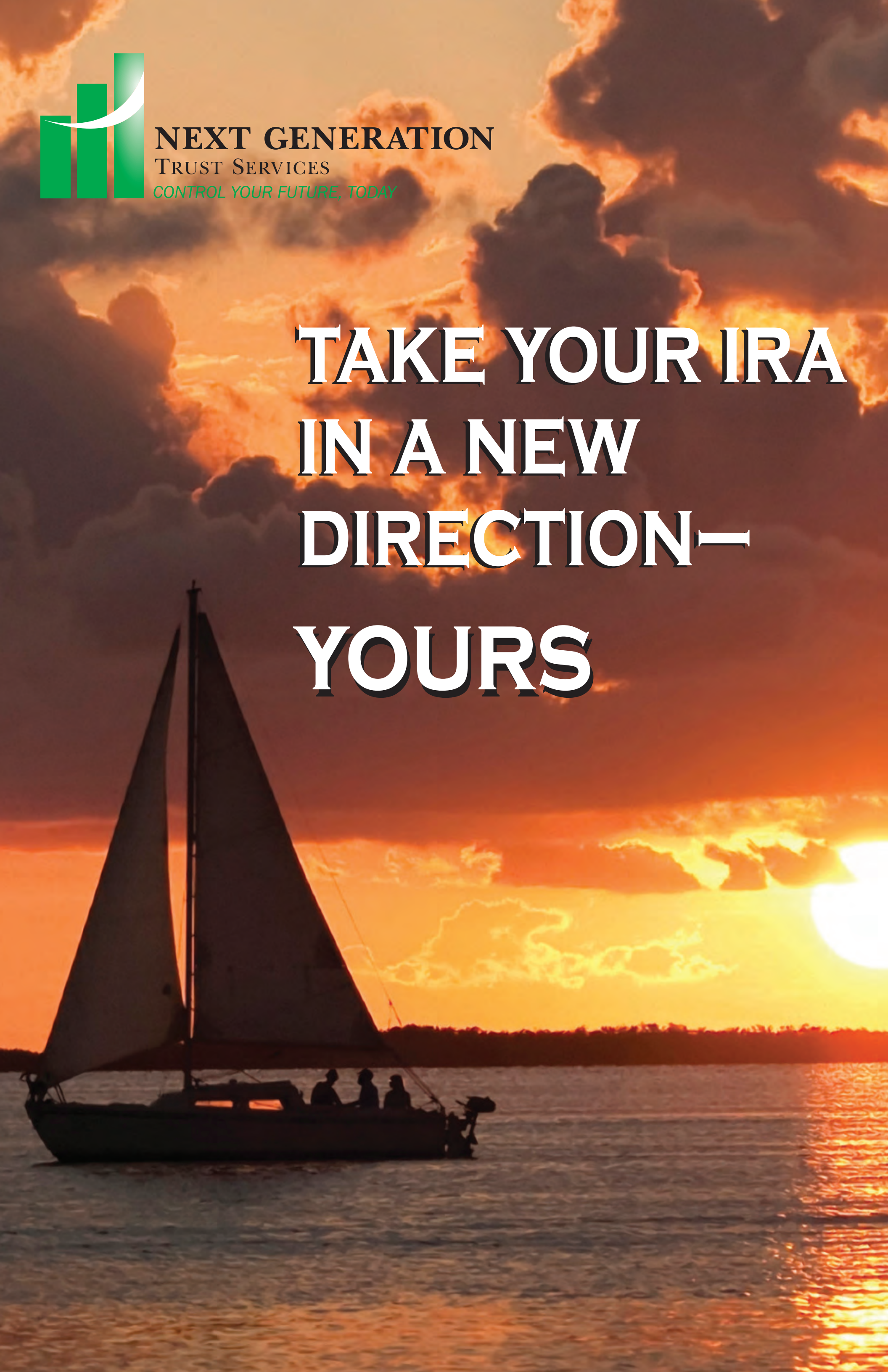
NEXT GENERATION
Trust Services
CONTROL YOUR FUTURE, TODAY

TAKE YOUR IRA IN A NEW DIRECTION— YOURS



SELF-DIRECTED IRAS: A NEW WORLD OF INVESTMENT OPPORTUNITIES

Have you thought about a self-directed IRA as your retirement strategy? Do you know what this is?

Many investors who are building their retirement wealth are not aware of this option that puts *them* in control of their retirement plan. Although a self-directed IRA or 401(k) is not for everyone, it can be a lucrative option for savvy investors who are interested in managing their retirement plans with a variety of nontraditional investment strategies. That's where Next Generation Trust Services (NGTS) comes in.

Next Generation Trust Services provides the education and support to individuals who are interested in directing their IRAs and making their own direct investments. As opposed to typical IRAs–which may be controlled and maintained by financial advisors and stockbrokers concerned about selling their own limited instruments–self-directed IRAs allow for many other alternative investment strategies that can build wealth the way you want to, with investments unique to your particular areas of interest or knowledge.

Just as with more typical IRAs, these accounts offer tax-deferred and tax-free investing. However, self-directed retirement plans allow for many different kinds of investments, such as **real estate, mortgages, notes, limited partnerships, commercial paper, precious**

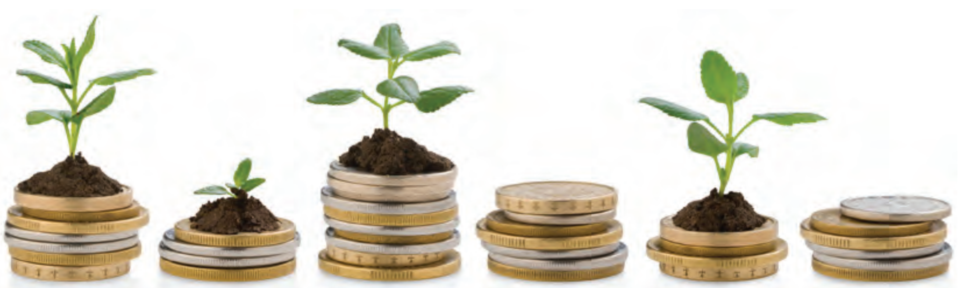
metals, and more. The potential to build a more secure future can be more effective because you will be deciding how to develop an eclectic portfolio from a much broader selection of investments. If you are interested in taking a more aggressive approach to your retirement plan, you may want to consider opening a truly self-directed retirement account with Next Generation Trust Services.

Who is Next Generation Trust Services?

NGTS is not a bank, financial planning service, or a brokerage house. Rather, we are neutral third-party professionals who provide comprehensive administrative and transaction support to account holders of self-directed retirement plans.

Our expertise and account management experience in the realm of self-directed retirement plans mean you can rely on us to expedite your allowable transactions properly. For example, we know that these nontraditional investments are subject to special processes, documentation, and regulations. When you open an account with Next Generation Trust Services, we handle all the necessary paperwork to ensure you are able to continue investing safely and securely. It's all part of how we assist you to control your future, today.

Note that we never endorse, recommend, or sell any products or investments, nor do we give any investment advice. Instead, we educate and inform you and your advisors on the nontraditional investment options available through self-direction, so you can decide on your own how to best diversify your portfolio. You are always in charge of determining your particular investment options.



TYPES OF PLANS YOU CAN SELF-DIRECT

Self-direction is not limited to a traditional or Roth IRA. Account holders who are self-employed may also control their retirement savings with a self-directed plan. In fact, *all these plans may be self-directed*:

Traditional IRA—For tax-deferred investing

A traditional IRA (Individual Retirement Account) is used to save pretax dollars for use in retirement. When you deposit money into the traditional IRA, you can usually deduct that contribution amount from your taxable income, which results in paying less income tax for the year.

In addition to the up-front tax deduction, the money in the traditional IRA account grows tax deferred. Any interest or gains from the traditional IRA investments are not taxed until money is withdrawn from the IRA, at which point the money is taxed as ordinary income. You may start to take normal eligible distributions from a traditional IRA at age 59½. Once you reach age 70½ you will have to start taking required minimum distributions.

Roth IRA—For tax-free investing

Funds deposited into a Roth IRA are not tax deductible when they are initially contributed, but eligible distributions from a Roth IRA are tax free.

To be eligible to contribute to a Roth IRA, you must meet IRS-designated income limits, which are adjusted periodically. Additionally, you may take tax-free and penalty-free distributions of the basis (the amount you originally contributed) at any time. Roth IRAs are not subject to the required minimum distribution rule; therefore, contributions can be made to your account after you reach age 70½, and you can leave amounts in your Roth IRA as long as you live.

SEP IRA—For self-employed individuals and small-business owners

SEP stands for Simplified Employee Pension. A SEP plan provides employers with a simplified method to make contributions toward their employees' retirement and, if self-employed, their own retirement. Contributions are made directly to an individual retirement account or annuity set up for each employee (SEP IRAs). A SEP is established by adopting a SEP agreement and having each eligible employee establish a SEP IRA.

SIMPLE IRA—For small businesses

A SIMPLE IRA plan is a Savings Incentive Match Plan for Employees. It is established by employers (including self-employed individuals in sole proprietorships and partnerships).

Under a SIMPLE IRA plan, you, the employer, make contributions to traditional IRAs (SIMPLE IRAs) set up for each of your eligible employees. In addition, this type of plan allows your employees to defer part of their salaries into the plan for retirement; thus, a SIMPLE IRA plan is funded both by employer and employee contributions. Each employee is always 100% vested in (has ownership of) all money in his/her SIMPLE IRA.

Employer-Sponsored Plans—Qualified plans such as 401(k) plans

***Defined Benefit*—**Employee benefits are sorted out based on factors such as salary history and duration of employment. Investment risk and portfolio management are entirely under the control of the company. There are also restrictions on when and how you can withdraw these funds without penalties.

Defined Contribution**—**In these plans, a certain amount or percentage of money is set aside each year by a company for the benefit of the employee. There are restrictions as to when and how you can withdraw these funds without penalties.

Profit Sharing**—**As the name implies, this is a plan that gives employees a percentage share in the profits of the company based on the company's earnings.

Profit Sharing with 401(k) employee deferral option**—**Eligible employees may make salary deferral (salary reduction) contributions on a posttax and/or pretax basis. Employers offering a 401(k) plan may make matching or nonelective contributions to the plan on behalf of eligible employees and may also add a profit sharing feature to the plan. Earnings accrue on a tax-deferred or tax-free basis. These plans may also have a Roth component.

Special-Purpose Plans

Coverdell Education Savings Account (ESA)—To save for a child's education

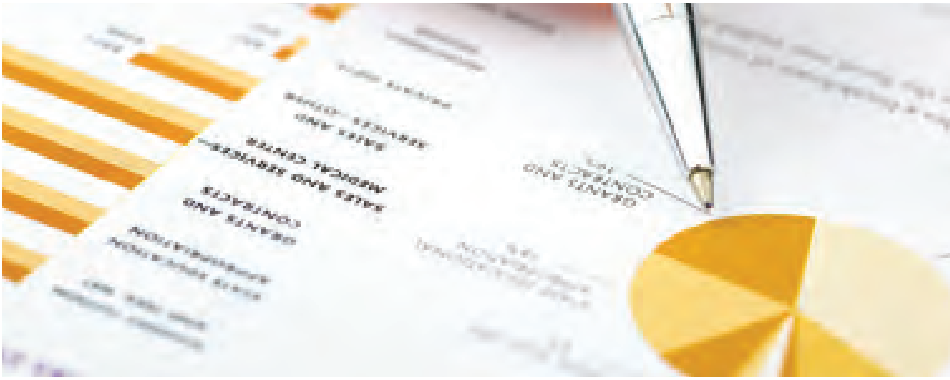
This type of account helps parents and students save for education expenses. The total contributions for the beneficiary of a Coverdell Education Savings Account cannot be more than $2,000 in any year, no matter how many accounts have been established. Annual contributions may be made to a Coverdell Education Savings Account until the beneficiary reaches age 18, or longer if the child is a special needs beneficiary. Contributions to a Coverdell Education Savings Account are not deductible, but amounts deposited in the account grow tax free until distributed.

Health Savings Account (HSA)—For medical expenses

This is a savings product that offers a different way for consumers to pay for their health care. HSAs enable you to pay for current health expenses and save for future qualified medical and retiree health expenses on a tax-free basis.

You must be covered by a High Deductible Health Plan (HDHP) in order to take advantage of HSAs. An HDHP generally costs less than what traditional health-care coverage costs, so the money that you save on insurance can therefore be put into the Health Savings Account.

You own and you control the money in your HSA. Decisions on how to spend the money are made by you, as are decisions about the types of investments to make in order to grow the account.



FUNDING YOUR SELF-DIRECTED IRA

There are several ways to fund a new self-directed retirement account, from money that's part of your disposable income or savings to assets that are currently in other retirement plans. Here are brief explanations of how to fund your self-directed IRA.

Contribution—Deposit new personal funds into an account.
The amount of personal funds you may deposit into a self-directed IRA is subject to yearly contribution limits; in some cases, there are income limits to be eligible to contribute to certain types of accounts. For most plans, contributions for a specific tax year can be made up to the tax filing deadline (usually April 15).

Transfer—Move funds between like accounts.
This type of transaction is initiated by first completing a request form with the company to where you want the funds to be moved. It then requires that the receiving custodian/administrator requests the funds on the IRA's behalf directly from the prior custodian. The client does not have direct access to the funds, which belong to the new retirement plan. This type of movement between accounts can be done as often as

requested, and there is no IRS limit on the dollar amount of a transfer.

Rollover—Move funds between unlike accounts or take possession of funds for up to 60 days.
Moving funds into a new self-directed account from an employer plan, such as a 401(k), is called a direct rollover and can be completed as often as the account holder requests. IRA-to-IRA rollovers, in which clients may take possession of the funds for up to 60 calendar days, are called indirect rollovers and are limited to one rollover per account per year. There is no IRS limit on the dollar amount of a rollover.

Conversion—Move funds from a tax-deferred account to a Roth IRA.
Clients should always speak with their tax advisor if considering a conversion, because taxes will be due on the converted amount in the year that the conversion occurs. Conversions can be done at any time during the year and for any dollar amount. Converting funds allows those funds to grow and be distributed tax free in the future.

Contribution Limits
The IRS imposes certain limits on allowable yearly contributions to all retirement accounts, including self-directed accounts. The following figures represent contribution limits and/or allowances as of 2011 and are subject to change annually. Please note that certain income limits apply that determine which accounts a client may qualify for. For updated contribution limits, you may check the NGTS website, **http://NextGenerationTrust.com**, or go to **www.irs.gov**.

Traditional IRA, Roth IRA
$5,000; investors over the age of 50 are allowed a catch-up contribution of an additional $1000

SEP IRA
Either 25% of annual compensation or $49,000, whichever is less

SIMPLE IRA
$11,500 with a catch-up contribution of up to $2,500 more if the account holder is over age 50

Qualified Plans
$49,000 total, including $16,500 employee traditional deferral or Roth deferral

Coverdell Education Savings Account
$2,000 per child per year

Health Savings Account
Up to $3,050 for single coverage, $5950 for family coverage



ALLOWABLE INVESTMENTS

Some popular investments are listed below, but with a few exceptions, you are only limited by your creativity in selecting the right investment for you.

- Real estate – domestic or international; residential and commercial; undeveloped land, farmland, new construction, renovations; rental property
- Notes, mortgages, unsecured loans
- Partnerships
- Limited liability corporations
- Hedge funds – domestic, offshore
- Tax lien certificates
- Precious metals
- Private placements, joint ventures, private stock
- Options
- International ventures
- Commodities/futures

And many more…

These opportunities allow the IRA holder to diversify his or her portfolio in unique ways. However, because there are certain restrictions about what the IRS will allow in a self-directed IRA, we cannot stress enough how important it is to become educated as to what is allowable in this type of tax-advantaged account. You can be confident that the experts at Next Generation Trust Services will get you the information you need to make the best choices for your account.

PROHIBITED TRANSACTIONS

As noted above, there are a few restrictions placed on what is an allowable investment in a self-directed retirement plan. The following are not allowed:

- Life insurance
- Collectibles (such as stamps, antiques, artwork)
- Transactions involving disqualified persons, including:
- Selling, exchanging, or leasing property
- Lending money or extending credit
- Furnishing goods, services, or facilities

As outlined by the IRS, disqualified persons are those individuals who may not use or derive financial benefit from the investment owned by the IRA.

These include:

- Account holder
- Spouse
- Ascendants
- Descendants and their spouses
- Business partners
- Anyone providing a service to the account

THE SELF-DIRECTED INVESTMENT PROCESS

The professionals at Next Generation Trust Services make it easy for you to get started with your self-directed retirement plan. In just a few easy steps, you can be on your way to directing your retirement account and building wealth through nontraditional investments.

Step 1: Establish which type of self-directed account you want to open.

Step 2: Fund your self-directed account in several ways:

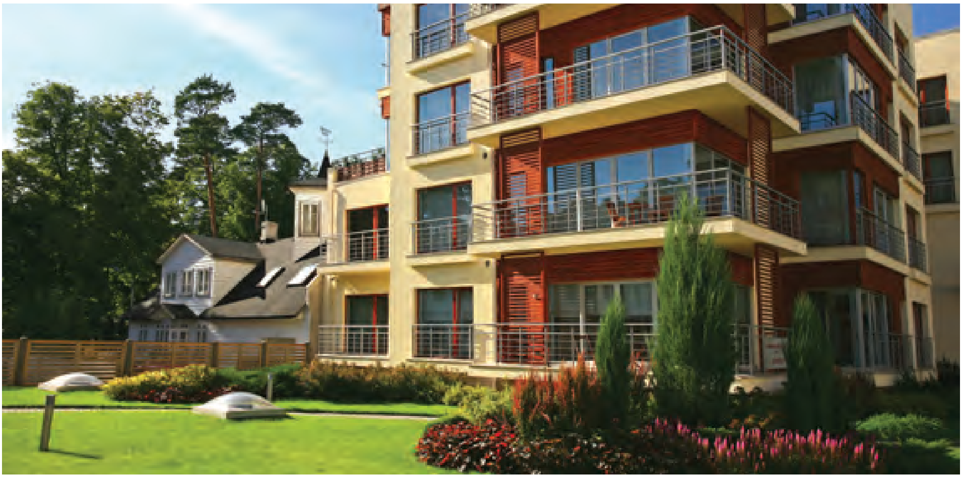
Contribute new money into the retirement plan.
Transfer existing funds from the same type of plan.
Roll over existing funds from another plan (this is often a previous employer plan).

Step 3: Select your investment from the many nontraditional options allowed in self-direction.

Remember to do your due diligence. Although NGTS, as the account administrator, will handle all the paperwork and ensure your transaction meets IRS documentation requirements, we are not responsible for making your investment choices.

Step 4: Provide investment instructions to Next Generation Trust Services. As your self-directed IRA administrator, NGTS will sign investment documents on behalf of the retirement account, after you have approved all documents.

Step 5: The investment is recorded in the name of your IRA. All income and expenses for the investment flow through the retirement account.



HOW SELF-DIRECTION WORKS

Using your self-directed IRA to buy real estate

Let's say you are already accustomed to making real estate investments, such as purchasing rental properties as a means to providing a steady income stream. Now let's say you wish to make this type of investment through your self-directed retirement account—and build your tax-deferred or tax-free retirement wealth in this way.

The process here is similar to that of a non-IRA real estate transaction; the difference is that there will be a different name/signer on the contract (the IRA). Here are the steps involved for this process:

1. Locate an investment property you wish to purchase through your IRA.
2. Negotiate the purchase contract in the name of the IRA; for example, Next Generation TS FBO John Smith IRA #123.
3. Submit approved contract to Next Generation Trust Services with instructions on where to send the executed contract and deposit funds.
4. NGTS will execute the contract and submit the initial deposit according to your instructions.
5. As the self-directed investor, you must do your due diligence—home inspection, title search, etc.—in preparation for your closing. Keep in mind that all expenses must be paid by the IRA, and that after the transaction is complete, all income and expenses related to the property must flow through the IRA.
6. Submit your approved closing documents with escrow instructions to NGTS.
7. NGTS will execute the closing documents and fund the escrow account.
8. Congratulations! Your IRA now owns the property and all gains, be they rental income, or capital gains, will be tax free.

Using your self-directed IRA to make a loan

Your self-directed IRA can make a loan to friends or certain relatives and reap the tax-advantaged rewards as the loan is paid back—with interest. The loan may be made for many reasons—to pay for tuition, clear up long-standing credit card debt, to buy equipment for a business, or as venture capital for a start-up company.

Both the borrower and lender can benefit from this type of transaction because the terms of the loan are determined between both parties, often at rates well below what a credit card would charge for a cash advance (good for the borrower) and higher than what investors usually earn from financial institutions (good for the lender). Here is one example of how this works:

1. A close friend plans to attend graduate school in preparation for her career, but needs $10,000 for the tuition, which she does not have. She will be working part-time while in school to cover her living expenses. She does not qualify for a loan because of her income, and a credit card cash advance will cost her nearly 20% interest a year.

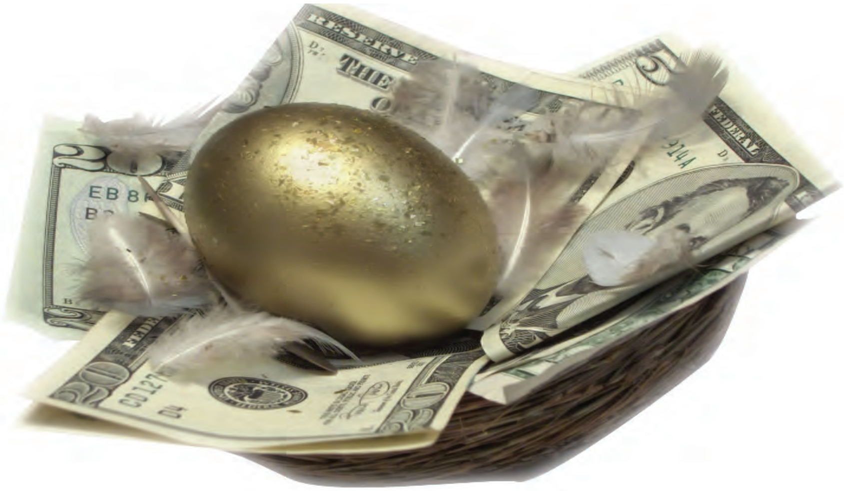
2. You have the money in your self-directed IRA and agree to lend her $10,000 to cover the tuition costs.

3. You and your friend negotiate the terms of the loan—when payments are due, total time period of loan, interest rate, prepayment terms, principal payments, etc.

4. Your friend makes payments according to schedule to the IRA, based on negotiated terms.

5. The IRA earns tax-deferred interest (or tax-free interest in a Roth IRA) and your friend gets her graduate degree (and a better job).

These are just two examples of what creative investment options are available to an investor who chooses a self-directed retirement plan to grow his/her nest egg.



There are many ways to build up your retirement account through self-direction. The professionals at Next Generation Trust Services can give you the information and guidance you need about the wide range of nontraditional investments allowed in self-directed retirement plans, so you can determine if this investment strategy is right for you.

Next Generation Trust Services does not review the merits or legitimacy of any investment nor endorse or recommend any companies, products, services, or investments.

If the services of NGTS were recommended by any third party, such persons or entities are not in any way affiliated with NGTS.

NGTS is not a "fiduciary" as defined in the IRC, ERISA, and/or any applicable federal, state, or local laws.

All information provided is for educational purposes only. All parties are encouraged to consult with their professional advisors prior to making any investments.

Do you have questions about self-direction as a retirement savings strategy?

Are you ready to open your self-directed IRA?

Please contact us for more information or to get started, and take control of your future, today.

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