

# The “Retirement Fund to Franchise Transfer” Plan

## *Using Retirement Funds as Business Capital*

It’s a different concept for most people. Money in IRAs and 401(k) plans is thought to be untouchable until retirement. It can be used before then.

The Transfer Plan provides a simple process to invest retirement funds in a new or established franchise - without distributions, penalties and taxes. As a result, it gives anyone with a qualifying retirement plan a ready source of capital.

Most people have not heard of the idea and unusual it may be. Yet the plan is without question an effective means of employing retirement savings as business capital.

***The Transfer Plan can be used instead of borrowing against the house to keep home separate from business***



Basically what happens is people invest retirement funds in stock of their own business. When properly done, funds can be used for any business purpose, including:

- ◆ Purchasing a franchise
- ◆ Business expansion: funding additional franchises, locations, etc.
- ◆ Working capital: paying salaries, franchise fees, etc.
- ◆ Start-up expenses: purchasing property, equipment, etc.

Moreover, capital can be obtained from just about any type of retirement savings plan:

- |                  |                         |                          |
|------------------|-------------------------|--------------------------|
| ◆ IRAs           | ◆ SIMPLE Plans          | ◆ 457 Plans (govt. only) |
| ◆ 401(k) Plans   | ◆ Annuity Plans         | ◆ Cash Balance Plans     |
| ◆ 403(b) Plans   | ◆ Profit Sharing Plans  | ◆ Money Purchase Plans   |
| ◆ SEPs and ESOPs | ◆ Defined Benefit Plans | ◆ Rollover Plans         |

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## *Working to Business Owners' Advantage*

### **Funds free of tax consequences**

The beauty of the plan is you make an investment of funds and don't take a distribution. So you don't get hit with early withdrawal penalties or hefty income taxes.

### **Debt-free capital**

You can open a business without being saddled with unnecessary debt or touching the equity in your home.

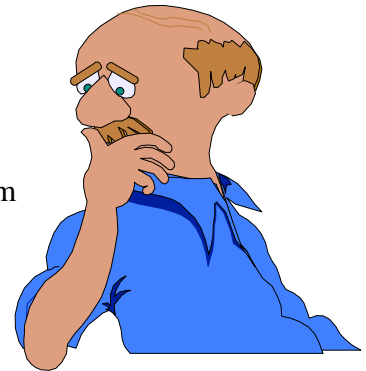
Many people take out loans to start a business - and sweat making payments. The Transfer Plan can free you from the hassles and pressures that can come with conventional financing methods.

And if you do need to borrow additional capital, the Transfer Plan can be used to provide equity toward SBA and other loans to ease the process.

### **OK by the IRS**

You'll have funds for business investment and IRS approval of the plan method in writing.

Thousands of favorable Letters of Determination have been received from the IRS for plans that implementers of the Transfer Plan have set up, all saying the plan complies with regulations. Companies that set up these Transfer Plans will obtain a letter documenting IRS approval for each individual plan.



### **Working for yourself**

A business of your own may be your best retirement plan. After all, investing in yourself is an investment you can believe in. In addition, with the Transfer Plan you set up a new retirement plan to save and shelter even more retirement funds as your business grows.

### **Four Simple Steps, and You're in Business.**

Capitalizing on the Transfer Plan is a straight forward process and companies that implement the plan will handle all of the details for you. Their plan specialists are fully trained to do the necessary steps and paperwork. They make sure all the i's are dotted and t's crossed - all you need to do is sign on the dotted lines.

It's a short process, as well - on average, steps are completed and funds are available in about two to four weeks.

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## **Step 1: You establish a C-corporation for the new business**

If you like, the company implementing your plan can prepare incorporation documents and make necessary state and federal filings as an additional service.

## **Step 2: The C-corporation creates a new retirement plan**

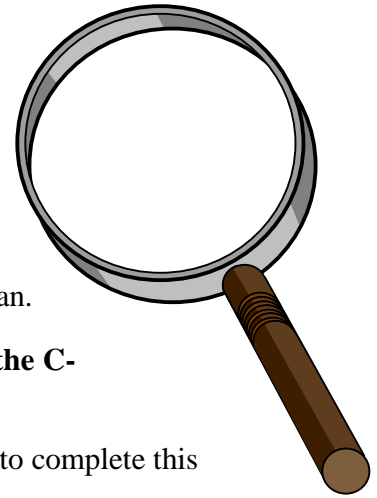
The company will develop everything from the Basic Plan Document to enrollment forms and perform required federal filings to establish the plan.

## **Step 3: Funds from an existing retirement plan are rolled over into the C-corporation's new retirement plan**

They will make sure the proper forms are prepared and tasks performed to complete this transaction.

## **Step 4: The new retirement plan purchases stock of the C-corporation**

The transfer company will see that appropriate procedures are followed and stock certificates are issued.



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In summary, the Transfer Plan, when implemented by a company that specializes in retirement fund to franchise transfers, is an easy, quick and inexpensive way to help you fund your new dream business. It will save you money by not having to pay taxes and penalties as well as creating a new retirement plan to save and shelter funds as your business grows. Utilizing a transfer company will ensure a swift and smooth transition of your funds.

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