

# FREEDOM ★ SECURITY ★ WEALTH



*"Your Guide to Building  
Wealth Through Real Estate"*

*Have you ever thought about what it would be like to wake up in the morning and not have to go to a job! To be able to do whatever you would like to do that day?*

*Would you consider that Financial Freedom?*

*You can acquire Financial Freedom the way 97% of the wealthy have? The wealthy develop passive income, using OPM/ other peoples money, (i.e. leveraging with the banks money).*

When your investment income exceeds your annual and/or monthly expenses, you have achieved financial freedom.

**Financial Freedom** - being able to do what it is that you want to do, without the restrictions of money.

**Passive Income** - The cash flow or profit from your investment. This is MONEY WORKING FOR YOU, NOT YOU WORKING FOR MONEY. The path to becoming Financially Free.

*Don't say, "I can't afford it!" Say, "How can I afford it?"*

### Three Rules That The Rich Use To Build Wealth

1. **THE "RULE OF 72":** This rule is used to determine how long it will take your money to double at a given rate of return. If you divide your rate of return into 72, the answer will show you how long it will take your money to double. For example, if you earn 6% on a savings account, it will take you 12 years for your money to double in value, (72 divided by 6). If you are able to increase your return to 10%, your money will double in 7.2 years, (72 divided by 10).

\$2000.00 over	3%	6%	12%	18%	24%	36%
24 yrs at:	\$4000.00	\$8000.00	\$32,000.00	\$128,000.00	\$512,000.00	\$9,000,000.00

2. **THE "RULE OF LEVERAGE":** You can leverage to increase your rate of return. You can leverage your investment by using a loan on the property versus your own money you invest. The tenant makes the payments for you by paying rent. When you leverage (use a loan), your rate of return is increased. For example, if you purchase a property for \$100,000 cash and it increased in value 5%, you have earned 5% on your money (\$5,000 divided by \$100,000) plus the amount of rent collected. However, if you purchase the property with 10% down payment, and a \$90,000 loan, your rate of return will be 10 times greater or 50%.

3. **THE "RULE OF RETURN":** Use these simple steps to figure your return on an investment: For example, if your down payment is 10%, when we convert it to a fraction your down payment is 1/10. The denominator is 10. Multiply the denominator times the property appreciation rate (say 10%) and your first year return on investment is 100%. Let's test this rule. Let's say we buy a \$150,000 property and put 10% down with a \$135,000 loan. Our down payment of 10% converted to a fraction is 1/10. If the property appreciates 10%, it will go up \$15,000 in value. \$15,000 divided by our investment of \$15,000 equals a 100% first year's return.





"Your Guide to Building  
Wealth Through Real Estate!"

**80%** of the world's wealth is  
acquired through real estate



**How much do you own? Do you want to own more?**  
**Wealth is acquired through assets not money.**  
**We can give you the knowledge.**

### Three Ways To Make \$\$\$

1. **EARNED INCOME:** Selling your time and freedom for a paycheck, (i.e. you working for money.)
2. **PASSIVE INCOME:** Money working for YOU, Not you working for money.
3. **PORTFOLIO INCOME:** Profit generated from an investment, (i.e. stocks, bonds.)

Here is an example of how to purchase "Passive Income" property. The example of this property was priced at \$100,000 and it was sold at full price. Here is how the investment works on this property:

\$100,000	Price
\$20,000	20% Down Payment
\$80,000	Loan A.P.R (call for more information regarding loan options.)
\$559.00	Monthly Minimum Payment
\$125.00	Monthly Property Taxes
\$128.00	Private Mortgage Ins.
\$29.00	Property Insurance
<b>\$841.00</b>	<b>Total Monthly Payments</b>
<b>\$1600.00</b>	<b>Monthly Rental Income</b>
<b>\$759.00</b>	<b>Total Monthly Passive Income</b>

### The Advantage of Residential Rental Investments:

1. **CASH FLOW** - The rent supplies income, (i.e. "Passive income.") This is your ultimate goal.  
\$10,000 investment;  
 $\$759.00(\text{cash flow}) \times 12\text{months} = \$9108.00$   
 $\$9,108/\$10,000 = \text{your rate of return is } 46\%$
2. **THE POWER OF LEVERAGING** - you can own \$100,000 worth of real estate with as little as \$20,000 cash out of pocket. You can also borrow the equity from one property and use it to purchase additional investment properties creating "Passive Income."  
*You own \$100,000 of real estate for a \$20,000 cash investment.*
3. **EQUITY BUILD-UP** - Real estate is one of the investments where someone else can make your payments. Therefore the tenant makes the payments and reduces your debt. The renters will reduce your loan balance over time, thereby increasing your equity.

4. **TAX SAVINGS** - you are able to depreciate your Rental and write off the expenses in order to reduce your taxes; up to \$8700 in depreciation, (meaning that your income from this property will not be subject to income tax.)
5. **APPRECIATION** on a \$300,000 purchase price your investment/rental property will rise in value  
If your \$300,000 home increases by 10%, you would have made \$30,000, which is a 100% return on your investment.
6. **DEPRECIATION** - This is how the rich avoid taxes LEGALLY.  
\$300,000 investment = \$8,700 TAX FREE \$ (believe it or not!)

10% Cash Flow  
100% Appreciation  
110.6% Total Return On Investment

**Did You  
Know You  
Can Make  
Real Estate  
Your IRA?**

## How To Pay Off Your Home In 7 Years Or Less

Would you like to pay off your house? What If...

You purchase a home for \$150,000 & it appreciates at 7% per year.

(CA Average from 1968-2007 6.34%)

In 7 years, your investment would be worth \$225,000

Do this 4 times

4 x 75,000(approx.) you will have \$300,000 in equity

Pull out your equity in 7 years, and your house is paid off.

**YES! You can buy a house for \$150,000 or less.**

## BEGIN Building Passive Income

### How To Get Started Right

We will give you all of the answers to your questions, so you will be prepared to take your first step in real estate with confidence and direction.

### Getting A Loan

We will assign you your personal loan/real estate expert to teach you about the loan products that best suit your goals. This will help you establish a solid strategy to help you build your net worth.

### Locating Your Real Estate

A personal real estate and loan expert will help you identify and locate a real estate property that fits your investment budget and goals. Then we will provide you with the necessary property acquisition details to ensure a positive return on your investment.

## Steps To Your Financial Freedom

### REFINANCE Current Property

**Rehabilitating the Property**  
This can be a influential tool to add value to your investment. Thus, acquiring your equity faster, which can be used to increase your portfolio.

### New Real Estate INVESTMENT!

You are on your way to developing Passive Income, Lowering Your Taxes, Increasing Your Income, Increasing Your Net Worth.

### Property REHABILITATION

### First Choice Property Management (866) 904-9300

### Prepare The Property

We will recommend the appropriate upgrades to achieve the highest rent possible. Our First Choice Property Management team will screen, locate, and qualify tenants for your new investment property. You will be notified when your property has a new tenant and can view your tenants profile.

### Billing, Rent Collection, and Evictions

We will handle everything so that you don't have to. With your monthly rent check we will provide you with monthly net income statements.

### Repeating The Process

By using this step by step structure you will be on your way to achieving real net worth. We have helped people cash in on this simple system and want to do the same for you.

### Lower Your Income Taxes

**Raise Your Income**

**Raise Your Net Worth**

**Turn Your home into an  
asset instead of a liability**

**Begin to think like the rich**

# ROADMAP TO INCREASING YOUR NET WORTH



## Steps To Get Started

1. Choose a qualified investment expert from EPIC Solutions, Inc. who understands this concept.
2. Have your EPIC Solutions, Inc. real estate agent help you set your investment goals.
  - a. We will show you how much money you have to invest.
  - b. Look at whether or not you can borrow money from other properties, sale of stock, etc.
3. Create the criteria for the properties that you will buy.
4. Build A Team
  - a. Meet with your Personal EPIC Solutions, Inc. Agent, Broker/Lender and get a pre-approved loan(s).
  - b. Talk to your accountant/attorney on how you want to take title.
  - c. Meet with our property manager. (recommended)
  - d. Get together all your paperwork, leases, files, etc.
  - e. Set up your bookkeeping system, i.e. Quicken, files, and Bank accounts, Etc.
5. Get your EPIC Solutions, Inc. team working for you. Start your search. Your financial freedom depends on it.
6. Identify all potential properties. (Get broker to help with this)
7. Get your Agent to help you identify rents. Call property managers and other owners; check the newspaper "for rent" ads and information.
8. We will search for big values, good neighborhoods, and other properties for sale or rent. Determine if the rent is relative to the neighborhood.
9. Have your Broker make an appointment to view property.
10. Go over investment strategies with your team.
11. Write a contract - keep the "big picture" and long-term goals in mind.
12. Have the property inspected.
13. Close Escrow.
14. Lease out Property.
15. Property Management. "If you take care of your property, the property will take care of you!"

***We are not advising you to spend your equity on a liability.  
We are advising you to purchase an asset that will create passive income.***

### **What Can The Principle of Leveraging Do For You?**

Lower your income taxes  
Raise your net worth  
Raise your income  
Lower your mortgage payment  
Turn your home into an asset instead of a liability

Social Security Administration statistics show the following for 100, 25 year olds. By the time they are 65, 39 will be dead. 51 will be on some sort of assisted living (i.e. social security, living with family). 5 will continue to work. 4 would be considered to be of modest means. **ONLY ONE** will be wealthy. **THE CHOICE IS YOURS!**

***Are you tired of working for money?  
Learn how to make money work for you, whether you work or not.***



*If you're a successful real estate investor, or if you're just looking to diversify your retirement portfolio, the combination of real estate and your IRA can be very powerful!*

## **Real Estate IRA**

The term "real estate IRA" encompasses any type of real estate investment in a self directed IRA or 401(k). As an IRA custodian that allows real estate, we'll explain several key points about real estate IRAs- including overviews, which types of real estate your IRA can purchase, and how it all works.

When you combine the advantages of a self directed IRA with your knowledge of real estate, IRAs allow you to earn tax-free/tax-deferred returns on your investments.

The rate of return on your investments is based on your knowledge and expertise in real estate. IRA investing is not based on the ups and downs of the stock market.

## **Self Directed 401(k): Create True and Lasting Wealth**

**Tremendous Benefits When You Combine Retirement Plans with Your Knowledge**

What makes a self directed 401(k) such a great wealth creation tool? The answer starts with you.

If you have knowledge, expertise, and success in certain investments, imagine the investment returns in a tax free environment. In addition to tax free profits, self directed 401(k) immediately provides large tax deductions, asset protection, and estate planning benefits to you.

## **Real Estate in IRAs**

**Little-Known Secret Allows Real Estate Investors to Create True Wealth**

Historically, real estate has given many Americans with a stable investment vehicle that provides both income and appreciation. One of the greatest tools available to real estate investors is government-sponsored retirement plans, such as IRAs and 401(k)s.

Most investors believe that their only IRA investment options are bank CDs, the stock market, and mutual funds.

Few Americans realize that they have the option to self-direct their IRAs and other retirement plans into real estate-and that they can benefit from the tax advantages those plans provide. IRA investments earn tax-deferred/tax-free profits.

Imagine not having to pay taxes right away-or ever-on your real estate deals. Instead of paying 25%, or 30%, or even 50% of your profits to the government in taxes, you keep it.

Additional advantages of the real estate IRAs include:

- **The power of compound interest**
- **A reduction of taxable income**
- **Asset protection**
- **Estate planning**