



# The only safe way to do a 1031 exchange

...Seatbelts  
for your money

an exclusive service available only to clients of The 1031 Exchange Experts

*Only your mother cares more about your safety...*

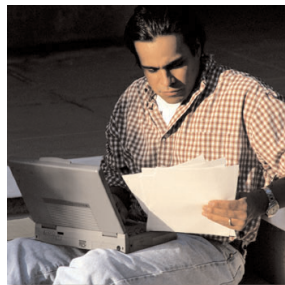
## 1031 True Stories...

### An Intermediary in

Nebraska invests his clients exchange funds in Enron stock and loses all their money. A Qualified Intermediary in Hawaii transfers a chunk of his clients exchange funds to his personal account in Hong Kong. A QI in Minnesota day-trades with his client funds and goes bankrupt, and the judge orders former clients to return their own exchange funds to pay creditors!

### Sound like a nightmare?

It is! In every one of these cases, money parked in separate, or segregated accounts would have been protected. The judge in the last example made it clear that if segregated accounts had been used, the exchangers wouldn't have lost their money.



### What Makes

## 1031 an ExpertExchange Different?

**W**e understand that the security of your funds is your primary concern. It's ours too. This is one of the reasons we put each client's money in a separate account.

**The Experts** have always kept client money in segregated accounts. We believe it's the only way to protect your 1031 funds. As an added security measure, we've developed 1031Access so you can see the activity in your account, in real time, 24/7.

From expert1031.com, 1031Access lets you see your specific account directly at the bank. You see what funds have come into your account, what has gone out, the interest your funds have earned and the current interest rate the bank is paying you now. You have true access, 24/7.

### 1031Access is great!

*It gives me a boost in confidence.*

**Brian L. Perkins**, 1031 Investor  
East Brookfield, Massachusetts

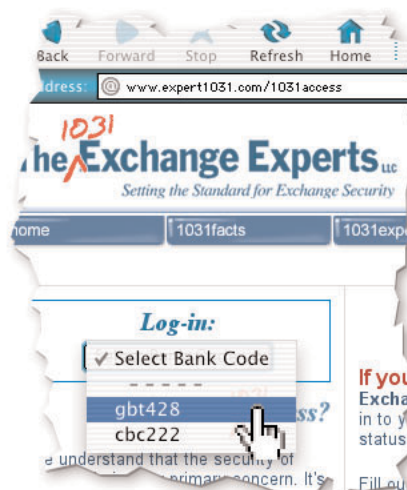
## The Risk of Commingled Accounts...

If your Qualified Intermediary pools all of its clients' exchange funds into a single, or "commingled" account, those funds are at risk for a variety of reasons.

If your funds are held in a commingled account, you cannot trace or earmark your particular proceeds. Rather, they are legally considered funds belonging to the QI, meaning that your funds could be attacked by creditors of the QI in the event of a collection action, or if the QI files for bankruptcy. Your funds could also be at risk if

legal or regulatory action is taken against any of the QI's other clients, since there is no separation of your funds from theirs.

A commingled account also makes it easier for a QI to use your funds for its own purposes. Dangerous



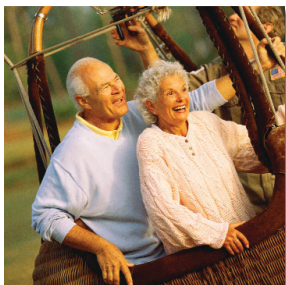
practices like investing client funds for the QI's personal benefit are not unheard of (see the article discussing an example of this at 1031articles.com). You are also at higher risk of losing your funds to accounting error or embezzlement.

Intermediaries who commingle their clients funds might claim they are protected simply because they have a degree, or have passed some test. But how will a law, accounting, or some other degree protect them from going bankrupt, or getting sued?

## *The Good News* *About Segregated Accounts...*

Funds held in separate, or segregated accounts are protected from the risks listed above. Since your funds are clearly traceable to you, they are protected from attacks of creditors or of a bankruptcy estate. The likelihood of conversion or embezzlement of your funds is also drastically reduced.

This is why we, **The Experts**, proudly establish a segregated account for every exchange we do. We always have. It's more work for us to do this, but it's safer for you. And with 1031Access, you can keep your eye on your money and be sure your funds are safe.



No other QI in the 1031 industry offers this kind of service, or the peace of mind that comes with it. That's why our clients are saying that we are *Setting the standard for exchange security*.

**1031Access** is a valuable tool; viewing our funds is just a few seconds away on the Internet. This combination of service and technology will have us returning to **The Experts**. Thank you! Our experience was excellent!

**Cindy Perno**, 1031 Investor  
Alexandria, Virginia

Go to **1031articles.com** to read more about the dangers of commingled accounts in the February 18, 2004 edition of **The Colorado Real Estate Journal** in the column titled, "EXCHANGER BEWARE..." by Gary Gorman.



## *Do you have Access?*

Subscribe to Access at expert1031.com so you can monitor your exchange funds online! A User ID and Password will be sent to you via email pending verification of your account.

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**1031**  
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*Setting the Standard for Exchange Security*

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*All clients of The Experts are automatically eligible for 1031Access.*

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