

SPECIAL REPORT

IRS SAYS REAL ESTATE PROFESSIONALS CAN LEGALLY PAY NO INCOME TAX IN 2010

***And get a Refund on All Income Tax
Paid in 2005, 2006, 2007, 2008 & 2009!***

DISCLAIMER: The author of this report is not a legal or tax professional and the information herein should not be construed as legal, tax or other financial advice. This report is for informational purposes only. The author does not assume any responsibility for errors and omissions. Maverick Investor Group™, LLC and Mark Solak, Corporate Broker of Maverick Investor Group™, LLC specifically disclaim any liability resulting from the use or application of the information contained herein. All readers are encouraged to consult legal and tax counsel in regard to their individual situation and applicable law.

Congratulations on downloading this free report, and welcome to a very elite community of real estate investors. Pay close attention as this may be the most valuable 8 pages you read all year.

My name is Mark Solak, and I'm the Corporate Broker of Maverick Investor Group™. Over the last few years, I sold or referred buyers to over 85 million dollars worth of real estate in different markets around the country. I made a lot of money, but as you can imagine, I paid A LOT OF TAX. **This year, I will be getting a refund check from the government for ALL the income tax I paid over the last 5 years. And I'm about to show you step by step how you can do it too!**

I could hardly believe it myself when I learned about this incredible tax incentive for real estate professionals, but after spending substantial time and money consulting with the nation's top CPAs and tax lawyers, I have verified it is all real, true and 100% LEGAL. **This year I will be making hundreds of thousands of dollars in earned income, but paying NO TAXES on it. And you can do the same!**

This report gives you all the tools, including web links to the specific sections of the IRS code that authorize this incentive and explain how to use it. This way, you and your CPA can independently verify everything and take the steps to ensure that you **PAY NO TAXES in 2010, and get a refund for all the income tax you paid since 2005!**

OK, I'LL BITE, HOW DO I PAY NO TAXES IN 2010?

There are two ways to LEGALLY pay no income tax in 2010:

- 1) Don't make any money
- 2) Make lots of money but purchase qualified investment property in an area called the "GO-Zone"

WHAT THE HECK IS THE "GO-ZONE", AND HOW DOES THAT HELP ME WITH TAXES?

Five years ago, Congress passed The Gulf Opportunity Act of 2005 (HR 4440), designating certain areas of Louisiana, Mississippi and Alabama as the Gulf Opportunity Zone, or "GO-Zone", and introduced **the most extraordinary tax benefits for real estate professionals in the history of the United States.**

In an attempt to incentivize the rebuilding of areas affected by Hurricane Katrina, the Act allows real estate professionals who buy qualified properties and put them into service **before December 31st 2010**, the following benefits:

"Mark Solak is a very honest and objective person. He always works in the client's best interest. He truly understands the principle of a fiduciary responsibility to his clients and I know the investments he recommends to me will be in my best interest."

- Jessica Henning,
Commercial and
Residential Real Estate
Broker, Chicago, IL

- 1) **An additional 50% first year bonus depreciation.** Normally a residential investment property is depreciated over 27.5 years, which comes out to 3.64% per year. That means if you buy a property where the structure (after removing the value of the land) is worth \$275,000, you would depreciate it \$10,000 per year, and you could write off that “loss” against all other forms of income. But, in the GO-Zone you would get an additional 50% first year bonus depreciation, so that same property in the GO-Zone would give you a write off of over \$140,000! And you can write off that “loss” against all other forms of income. That means if your taxable income is \$140,000 or less this year, and you buy this qualified property in the GO-Zone which is put into service before December 31, 2010, you will owe NO TAXES in 2010!

- 2) **5 Year Net Operating Loss Carry Back.** If your GO-Zone property creates more depreciation than you have income in 2010, you are entitled to carry this additional loss back 5 years, take it against income you already paid tax on, and get a refund check from the government! Let’s say you buy two of these properties from our above example, creating a \$280,000 writeoff. You can write off your \$140,000 income with just one of them and then you have a \$140,000 paper loss left over. So, if you made \$140,000 in each year between 2005 and 2010, your \$140,000 in depreciation would wipe out your entire income tax obligation for 2010, and get you a refund for all the tax you paid in 2005. For a full refund for the taxes you paid in 2006, 2007, 2008 and 2009 as well....just buy 4 more properties! You heard correctly: **The government will send you a check refunding the taxes you have already paid, all the way back to 2005!**

- 3) **20 Year Net Operating Loss Carry Forward.** Let’s say you buy enough property to write off all of your income over the past 5 years, and you have an additional paper loss left over after getting all your money refunded. You are allowed to carry the loss forward 20 years and take it against income you make in the future! Remember, the GO-Zone benefits expire at the end of 2010, but as long as you buy in 2010, you can carry the losses backward and forward!

"In 22 years of investing, my husband and I have purchased quite a few pieces of property and used quite a few different brokers. None have compared to Mark. He returns calls almost immediately, forwards informative material, and made us feel like we were his only clients. I trust his guidance completely."

- Eliana Gomez
Real Estate Developer
Chicago, IL

OK, MARK, SO WHO CAN TAKE THESE BENEFITS?

Only Qualified Real Estate Professionals can take the *full* GO-Zone benefits. The IRS definition of a “Real Estate Professional” is someone who:

- 1) Spends a minimum of 750 hours a year (about 15 hours a week) or more in the active trade or business of real estate.

- AND -

2) Does not work at another paid job for more hours than they spend doing real estate.

Check with your CPA to verify that you qualify and meet the material participation requirements.

WHAT ABOUT HIGH INCOME EARNERS WHO ARE BEING HIT WITH ALTERNATIVE MINIMUM TAX? I UNDERSTAND THAT "AMT" RESTRICTS THE AMOUNT OF DEPRECIATION REAL ESTATE PROFESSIONALS CAN TAKE.

The Gulf Opportunity Act explicitly states that the bonus GO-Zone depreciation for real estate professionals is NOT subject to the restrictions of AMT. Even if you are having an AMT year in 2010, it cannot limit your ability to take the GO-Zone depreciation against all other forms of income (and to carry it back and claim your refund from previous years).

"Mark has integrity, something you don't find too often in this business. I would definitely do business with him again because he is honest and such a hard worker."

- Janice Martin Davis,
Real Estate Broker,
Chicago, IL

IT SOUNDS INCREDIBLE, BUT I DON'T KNOW ANYTHING ABOUT THE MARKETS IN THE GO-ZONE.

Congress drew a line on a map, designating a huge area across three states as the "GO-Zone". Some of the areas got hammered by Hurricane Katrina, others did not get touched. Some of the markets within the GO-Zone are economically depressed areas, and others are among the most aggressive growth markets in the country, currently undergoing multi-billion dollar development projects and huge population expansion. For the qualified real estate professional, **the key is knowing WHERE to invest in the GO-Zone so that you can be in an appreciating growth market, what product to buy so that you can cash flow while you hold, making sure you are dealing with an ethical builder or developer with a strong local track record, and ensuring a viable exit strategy.**

WOULDN'T THAT TAKE A HUGE AMOUNT OF TIME AND RESEARCH TO FIGURE ALL THAT OUT?

Fortunately this research has already been done. Maverick Investor Group™ is a licensed brokerage with a niche specialty in GO-Zone properties. I have spent extensive time on the ground in the GO-Zone, studying the various micro markets, attending home builder association meetings on the gulf coast and verifying builder track records. I have done research on where the flood zones are and how to avoid them, interviewed lenders and insurance companies, and studied the rental market to understand what products get leased up the quickest. This is all crucial to making a good investment. Although IT IS ALWAYS YOUR DUTY TO DO YOUR OWN DUE DILIGENCE, we are happy to provide you with all the information we have so you can verify everything for yourself.

BUT I LIVE OUT OF STATE — HOW WILL I TAKE CARE OF MY RENTAL PROPERTY?

We have an entire ground team in place, including preferred property management options with whom we have negotiated discounted rates, that are willing to lease and manage all your properties.

This way you will have a turn-key investment and be completely rid of the hassles of landlording.

MARK, TELL ME MORE ABOUT **MAVERICK INVESTOR GROUP™**.

Maverick Investor Group™ is a real estate brokerage that works with an exclusive clientele on an invitation-only basis. We use the collective purchasing power of our buyers to negotiate quantity discounts and favorable terms not available to the public. Maverick Deals™ are presented as private buying opportunities whereby everyone purchases properties individually in order to reap the full financial benefits of owning real. Our community is comprised of people at all different experience levels who are committed to supporting each other in building and sharing great wealth.

"Mark has proven himself to me as someone who is interested in having a long term business relationship and not just an agent looking to do some quick one-time deals. I trust him as someone who has done his own due diligence and who would introduce me to solid investment opportunities."

- Marla Zemanek
Professional Real
Estate Investor
San Francisco, CA

HOW DO I KNOW I WILL BE GETTING A GREAT DEAL?

"Working with Mark is different from working with other real estate salespeople because he loves his job and always makes himself available. He is about the client, not the sale. He takes the time to completely research and analyze any problems I have and always gets back to me ASAP. I would definitely buy real estate from Mark again."

- Scott Ellis
Singer and
Musical Director
Chicago, IL

Maverick Deals™ are stringently analyzed and screened. Each deal is extensively researched — ranging from the economic indicators and demographic trends in the real estate micro-market to the track record and references of the builder or developer with whom we are working. At least 30 or 40 deals are vetted before one makes it all the way through the screening process.

In order for a deal to be presented to our clients, the principals of Maverick have to be excited about purchasing the deal for ourselves, and we have to be willing to refer our mothers to purchase the deal with their retirement money. If those criteria cannot *both* be met, the deal will not be presented.

WHY SHOULD I BUY THROUGH **MAVERICK INVESTOR GROUP™** INSTEAD OF CALLING A REALTOR IN THE GO-ZONE AND TRYING TO FIND MY OWN DEAL?

Because of our collective buying power, Sellers are willing to offer

special deals to Maverick buyers with **prices and terms NOT available to the public.**

Furthermore, Maverick provides you with a deal finding system to save you valuable time. Traditional methods of buying rental properties are extremely time consuming for the individual investor. Since we do the market research, provide you access to premium buying opportunities and preferred property management options, *our clients have the time to design their lifestyles and pursue their dreams.*

WHAT IF I HAVE A REAL ESTATE LICENSE, WILL MAVERICK PAY ME A REFERRAL FEE?

Yes! **We invite licensed real estate agents and brokers to be part of the Maverick Referral Network™ and receive a 3% referral fee each time you or one of your clients closes on a deal.** It's a great way to ensure your clients get into one of the highest quality deals; it requires extremely little time on your part and still pays you 3% per deal. Plus, we sign a non-compete/non-solicitation agreement with you up front, guaranteeing that we will not solicit your clients.

ARE THESE GO-ZONE DEALS PROPERTIES STILL A GOOD DEAL FOR PEOPLE WHO DO NOT QUALIFY AS REAL ESTATE PROFESSIONALS?

Yes! All deals presented by Maverick will be premium stand alone deals that we believe are among the best buying opportunities available (even if the buyer does not qualify as a real estate professional).

IF I WANT TO TRY AND QUALIFY FOR THE FULL TAX BENEFITS, WHAT DO I HAVE TO DO?

Consult your CPA to ensure that you do this properly! The IRS guidelines state that an individual, or their spouse (if filing a joint tax return), must spend 750 hours a year or more in the active trade or business of real estate and not spend more time in another occupation than they spend in real estate. Only one spouse would need to meet this requirement in 2010 (regardless of whether they ever qualified in previous years) in order to get the full benefits, and to carry back the loss against other income.

"Mark Solak is excellent and stands above the crowd. We truly appreciate his knowledge and expertise, and most of all his patience and understanding when the going gets tough. He is always accessible and easy to talk to. We have done many transactions with him and we highly recommend him to our clients."

-Dan and Grace Armstrong,
Real Estate Associates,
Liberty Realty
Las Vegas, NV

IF I AM UNABLE TO QUALIFY AS A REAL ESTATE PROFESSIONAL, WHAT TAX BENEFITS CAN I TAKE?

The IRS allows people who make less than \$100,000 per year to take up to \$25,000 in real estate losses against all other forms of income. So, if you make \$100,000 per year at your job and currently own no investment property, and you buy the house in our example above to generate the \$140,000 bonus depreciation, you would be able to write off \$25,000 per year against your earned income and carry the rest of the loss forward. This means for the next 5 years, you would only be paying tax on \$75,000 of income, instead of \$100,000. Since that income is in the 28% tax bracket, that saves you \$7,000 per year!

The deductible amount against other forms of income phases out as your income increases from \$100,000 to \$150,000, and if you make over \$150,000 you can only take the losses against real estate gains (not against ordinary income for example). BUT, if you are a high income earner and you don't have real estate gains to take it against, you can carry the loss forward for 20 years. That means if your income drops below \$150,000 or if either you or your spouse is able to qualify as a real estate professional at some point within the next 20 years, you can take it then!

GREAT. OK, I HAVE ONLY ONE FINAL QUESTION ABOUT THE EXIT STRATEGY. I UNDERSTAND THAT WHEN I SELL AN INVESTMENT PROPERTY, I AM REQUIRED TO "RECAPTURE" ALL THE DEPRECIATION I TOOK AND PAY TAX ON IT WHEN I SELL. HOW DO I LEGALLY AVOID THAT?

The IRS has provided a way to indefinitely defer some or all of your "depreciation recapture" and ALL of your capital gains! You can defer it forever, until death. When you are ready to unload your property after holding it for at least 12 months, the IRS allows you to do a "like kind exchange", also called a "1031 exchange" (named after section 1031 of the IRS Tax Code that allows it). A 1031 exchange means that when you unload your property, instead of pocketing the cash and using it to buy a yacht, you use the money to buy another "like kind" property (or multiple properties) of equal or greater value. When you do this, you have to follow a few formalities while conducting the 1031 exchange: The money you make when you unload the property must be held by an independent third party known as a "qualified intermediary". You then have to identify the new property (or properties) you want to buy within 45 days, and close within 180 days. (The Professional Trade Association for Qualified Intermediaries has a more detailed description of the 1031 exchange requirements and also has a web-feature to help you locate a Qualified Intermediary anywhere in the country: <http://www.1031.org/>). Also, be sure to consult your CPA about your individual situation and applicable law to verify how much of your depreciation recapture can be deferred.

THIS ALMOST SOUNDS TOO GOOD TO BE TRUE...HOW CAN I DO MY OWN DUE DILIGENCE ON THE GO-ZONE TO INDEPENDANTLY VERIFY THAT ALL OF THIS IS REAL AND LEGAL?

Everyone should always do their own due diligence. Never take any marketing material (including this beautifully written report) at face value. The first step in prudent due diligence is to consult your CPA about both the "real estate professional" status, to make sure you qualify, and then about the "GO-Zone" benefits. If your CPA is not familiar with the GO-Zone benefits, you may want to refer them to IRS Publication 4492: <http://www.irs.gov/publications/p4492/ar02.html>. They can also refer to IRS Publication 946 on how to depreciate your GO-Zone property <http://www.irs.gov/publications/p946/index.html> and IRS Publication 925 on Passive Activity Rules <http://www.irs.gov/publications/p925/ar02.html>. I'd suggest forwarding the above links to your CPA. Only attempt to read them yourself if you speak 'accountant' and love reading tax law...or if you need help falling asleep at night.

I HAVE HEARD DIFFERENT CLAIMS ABOUT WHEN THE GO-ZONE ACTUALLY EXPIRES. CAN YOU CLARIFY AND CITE THE IRS DOCUMENT SO THAT I CAN CONFIRM IT WITH MY CPA?

Yes, there is definitely a lot of confusion, and the reason is because the goalposts have been continually changing. The Original Gulf Opportunity Act of 2005 required the property to be completed AND put into service by December 31, 2008. There was a later bill passed that extended the GO-Zone for a small subsection in Mississippi and Louisiana, requiring properties in those extended areas to be put into service by December 31, 2010. HOWEVER, there remained two provisions that required those properties in the extended areas to commence construction by December 31, 2007 AND to have construction completed by December 31, 2009. The Foreclosure Prevention Act of 2008 removed the commencement requirement so that homes could begin construction in 2008 or 2009. But the construction completion requirement date of December 31, 2009 still stands. Therefore, a qualified GO-Zone property must have had construction completed by December 31, 2009, and you must close on it and put it into service before December 31, 2010. After that, all GO-Zone benefits are gone forever. You can verify that here: http://www.irs.gov/irb/2007-17_IRB/ar12.html.

THE CLOCK IS TICKING IF I NEED TO BUY IN 2010! HOW DO I GET IN ON THE ACTION?

With Maverick there is ONLY ONE WAY to get in on the action. It doesn't cost anything, but you need to act IMMEDIATELY...

Go to www.maverickinvestorgroup.com and click on "Buy With Us". (If you are a licensed Real Estate Agent or Broker, click on "Agents/Brokers" instead). Fill in your information and submit it to us. Since we are an invitation-only group, use the priority registration code "STARFISH" when you sign up.

This will put you in an elite network of real estate investors around the country who get priority access to Maverick Deals™. You will get invitations to exclusive national conference calls, full presentations on the hottest markets in the GO-Zone and live buying opportunities that are NOT AVAILABLE TO THE PUBLIC.

We are a real estate brokerage that works with an exclusive clientele and are only accepting A VERY LIMITED NUMBER OF APPLICANTS this year...Then we will disable the registration code and you will be locked out of this opportunity.

You MUST register at www.maverickinvestorgroup.com right away, and use the Priority Registration Code "GOLD2010" to make sure you get access to the next deal we are about to roll out!

Warm Regards,

Mark Solak
Corporate Broker
Maverick Investor Group, LLC