

1031 Solutions  
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## 1031 LIKE KIND EXCHANGES

Dear Investor:

Enclosed is general information on IRC Section 1031 Like Kind Exchanges and our firm. Although the information is a good starting point to educate you about the basic requirements and procedures for completing a tax-deferred exchange, it can't take the place of an individual discussion of your proposed transaction. We would be happy to answer any questions that you have, and we do not charge for these consultations.

Choosing a qualified intermediary is an important decision. You should consider the costs, security of your funds, and reputation and experience of the firm.

**Exchange Fees / Interest on Funds Held.** 1031 Solutions' fee for handling a basic forward rolling exchange is \$375 per closing. Interest is paid on the Exchange Proceeds at a competitive rate of interest. When comparing fees, make sure you clearly understand not only the fee, but also how interest on the exchange proceeds is paid. Unlike some firms, we do not charge additional fees based on the value of the property sold, and we do not "tier" the interest rate you earn (typically, reduced rates or no interest is paid on lower amounts of proceeds). Because our fees are paid on a per closing basis, clients who do not complete their exchanges do not pay for a full exchange.

**Security of Exchange Proceeds.** 1031 Solutions maintains a fidelity bond (\$1,000,000 per client – no cap on total liability) that insures our clients against loss from dishonest acts such as embezzlement, fraud and theft. In addition to the internal controls required by the Fidelity Bond underwriter, CNA Insurance Companies, 1031 Solutions has adopted procedures for handling client funds that are designed to ensure the greatest degree of safety and confidentiality. As a member of the Federation of Exchange Accommodators, 1031 Solutions has voluntarily agreed to adhere to the ethical and fiduciary standards required by the industry's only formal professional organization.

**Experience and Customer Service.** 1031 Solution's reputation and experience are impeccable. We routinely handle complex exchanges, including reverse, improvement, and other non-typical situations. Rich Levy, our founder, has over 20 years of experience as a practicing commercial real estate, business, and tax attorney. Rich remains personally available to you throughout your exchange transaction. In addition to Rich, our firm includes Linda Levy, a tax attorney, CPA, and former accounting professor with a Ph.D. in accounting; Lisa Kish, who previously worked with a national real estate brokerage firm; and Katie Fosse, who holds an MBA and has been with the firm since its inception. We will proudly provide references from pending and past exchanges that we have handled. As our clients will tell you, we focus on client service. Our goal is to make it easy for you!

We hope to have the opportunity to assist you plan and execute your tax deferred real estate exchange. Please contact us with any questions or to schedule a personal consultation.

Sincerely,

*1031 Solutions*