



**Entrepreneur Retirement  
Plan of America**

***The Premier Retirement Plan  
For Small Business Entrepreneurs***

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## Entrepreneur Retirement Plan of America

Dear Small Business Entrepreneur:

The Entrepreneur Retirement Plan of America (ERPA) is an innovative retirement planning solution available to small businesses. The ERPA gives smaller companies access to a retirement planning solution typically available only to large businesses.

Built on a 401(k) platform, the ERPA is a turnkey solution inclusive of professional trustee, fiduciary, administrative, management, and investment services. Initial and ongoing compliance is extremely important when dealing with any form of retirement plan. The ERPA team helps the small business entrepreneur maintain ongoing Internal Revenue Service and Department of Labor regulatory compliance.

In addition to its many strengths as a 401(k) plan, the ERPA enables entrepreneurs to use their qualified retirement assets to invest directly in the small business itself. When properly implemented and administered, the ERPA enables an individual to access his or her retirement funds to capitalize a small business while preserving the fund's tax deferral and avoiding penalties.

Upon adopting the ERPA, plan participants have immediate access to a set of professionally managed investment portfolios. Thus, the ERPA is a comprehensive turnkey solution.

The cost to adopt and maintain the ERPA is unmatched by any other plan capable of providing similar benefits. In fact, the mutual fund fees are roughly *one-third* of the industry standard.

In this preview of the ERPA, you'll discover a wealth of information about why small business owners have adopted our unique, compliant, professionally managed retirement plan. We are confident that once you have completed your review, you will find it to be a value-added solution that can help you and your small business succeed.

We invite you to contact us for more information about this innovative retirement planning solution.

Respectfully,

Entrepreneur Retirement Benefits, LLC

## *An Entrepreneur and “Qualified” Money ...*

People become entrepreneurs because they decide to take control of their own destiny by starting or buying a business. But with this decision comes the very significant problem of getting the small business venture financed. In many cases, the entrepreneur’s investable assets are held primarily in qualified retirement vehicles such as IRAs, pensions and 401(k) plans.

Qualified retirement assets enjoy one or another kind of preferred tax treatment, typically tax deferral until the assets are withdrawn from a given account. If improperly accessed, these qualified assets are exposed to a 10% penalty and often 40% or more in federal and state income taxes. Depending on a person’s tax bracket and the state of residence, total penalties along with federal and state taxes can approach 50%.

So, the question to be answered is...

*“How can a person access his or her retirement funds to purchase or capitalize a business while preserving tax deferral and avoiding penalties?”*



The Solution To The  
Problem...  
Entrepreneur Retirement Plan  
of America (ERPA)

## *A Brief Background on the Evolution of Retirement Plans and Small Business Investments...*

Fortunately, federal law provides for exactly that, as the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”) enables entrepreneurs to access accumulated retirement money to capitalize their businesses.

EGTRRA relaxed the portability rules for retirement plans, allowing assets created in several types of retirement plans to be rolled into each other. For example, prior to passage of EGTRRA, a 401(k) Plan could only hold funds created in a 401(k) Plan. Under EGTRRA, funds created in other plans such as IRAs, defined benefit plans, traditional pensions, 403(b), etc...plans can be rolled into a single 401(k).

This ability to transfer funds between plan types expanded the planning opportunity for entrepreneurs to use retirement funds as a business capitalization source.

When a business establishes a retirement plan such as a 401(k), the business becomes a “plan sponsor.” Once the plan is active, investment options are made

available to the plan’s participants, who then select their investment options, preferably with the guidance of fiduciary-minded investment professionals.

Retirement plans have had the ability to include the plan sponsor—that is, debt or equity issued by the company itself—as an investment option since the passage of the Employee Retirement Income Security Act of 1974 (ERISA). However, ERISA imposes certain restrictions on a retirement plan’s ability to invest in a plan sponsor’s securities. In addition, the law limits the amount of funds that can be invested in a sponsor’s securities for plans that *are* allowed to invest in such securities.

ERISA does not prohibit a plan’s acquisition or sale of qualifying employer securities of the sponsor and no limitation on the amount of funds that can be invested in a plan sponsor *if* the plan is an “eligible individual account plan.” An eligible individual account plan is defined as an individual account plan which is a profit-sharing, stock bonus, thrift, or savings plan. 401(k) plans fall under this definition.

**Entrepreneurs can now roll their retirement funds from their various plans into one bucket and then pour that bucket into a 401(k) Plan**

**One of the Advanced and Enhanced Options Available with a 401(k) Plan is Investing in the Entrepreneur’s Business as a Source of Business Capital**

*When Investing in Employer Stock, Failure to Properly Manage and Administer a Retirement Plan Will Create a Compliance Storm with the IRS. Find Out How the ERPA is Your Compliance Life Preserver...*



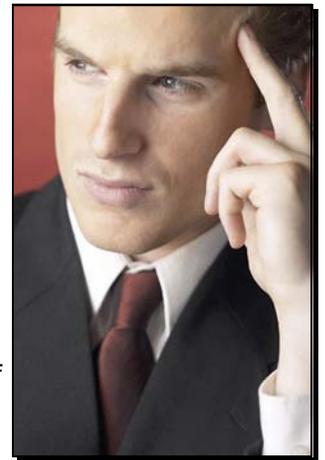
On October 1, 2008, with the issuance of a Director Memorandum to its field agents, the Internal Revenue Service, for the very first time, addressed the use of retirement funds being used as a business capitalization source. In the Director Memorandum the IRS identifies the use of retirement money as a business capitalization source as an arrangement known as Rollover as Business Startups.

**The IRS is looking for defects of abuse in Retirement Plans.**

**The exclusive, compliant and professionally managed ERPA, developed and implemented by Entrepreneur Retirement Benefits, LLC, helps entrepreneurs address potential defects *before* they occur!**

The IRS is, in part, looking for the following during a review a plan:

1. Permanence: Does the plan receive any form of ongoing contribution?
2. Exclusive Benefit: The plan must be operated for the benefit of employees and their beneficiaries. Thus, as long as plan assets used to capitalize the business are not used for personal purposes and the plan is in fact operated to benefit the company's employees and their beneficiaries, the exclusive benefit requirement should not be a problem.
3. Benefits, Rights and Features Discrimination: The IRS has not specifically found that these plans typically discriminate against rank and file employees in coverage or contributions. So the IRS instead is looking at whether the plan is discriminating in favor of "highly-compensated employees." The key issue to be reviewed here is the method by which the employer stock was offered and sold to the plan.
4. Prohibited Transactions: The IRS will be looking at the employer stock transaction and whether the plan paid "adequate consideration." This is where a valuation by an independent qualified business valuator is extremely important to confirm that the plan did not overpay for its employer stock investment. The IRS will also review the payment of plan implementation fees. The issue with the fees is to see if plan assets were indirectly used to pay the fees.



It is not possible to make a blanket policy to disqualify these types of plans because retirement plans are in fact allowed to invest in employer stock. So the IRS is left to review plans on a case-by-case basis to identify any disqualifying defects. That's why entrepreneurs find peace of mind with Entrepreneur Retirement Benefits, LLC's ERPA. Because it is properly designed, implemented, and administered, the RSPT withstands any scrutiny that may be brought against it.

The memorandum highlights a big issue which is generally true for retirement plans...**Compliance is not about being compliant when a plan is formed because being compliant at the start is the easy part. Compliance is about how the plan is managed and administered over time. Time will be the best indicator as to whether the entrepreneur established the plan to be a real retirement plan or whether the plan was established solely to benefit the entrepreneur.** Individuals who self-deal or engage in other abusive tactics expose themselves to the long arm of the IRS. On the other hand, individuals who are compliant will hold up just fine under IRS scrutiny.

**The ERPA is an Entrepreneur's Solution to Overcoming Potential Defects in a Retirement Plan**

## *Now That You Know What is NOT a Compliant Retirement Plan in the Eyes of the IRS, Find Out About the Compliant ERPA ...*



The Entrepreneur Retirement Plan of America (ERPA) is a Multiple Employer Safe Harbor 401(k) and Profit Sharing Plan specifically designed to enable the plan to invest in an entrepreneur's small business.

This 401(k) plan is perfect for both existing and new businesses. An Entrepreneur can utilize the basic features of the plan by implementing the plan as the company's sole retirement plan or its advanced features can be utilized to enable the plan to invest directly in the entrepreneur's business.

The advanced features of the ERPA, which enable the plan to make an investment in the business, allow the entrepreneur to gain access to his or her accumulated retirement funds for business investment purposes without incurring tax liabilities or penalties.

Because the ERPA is managed by a professional team of trustees and fiduciaries, entrepreneurs who adopt the ERPA enjoy ongoing support in complying with Internal Revenue Service and Department of Labor rules and regulations.

### *What is the Process?*

#### **1. Adopt the ERPA**

The small business entity formally adopts the ERPA to serve as the organization's official retirement plan. This is done simply by signing the required documents.



#### **2. Move money from existing retirement plan to ERPA**

The money is moved from where it is currently held to the ERPA. This is called a Trustee-to-Trustee Transfer or a Custodian-to-Custodian Transfer.

**Note: If the ERPA is going to be used as a capitalization source for the small business, then the following Steps 3 and 4 will also apply.**

#### **3. Business valuation**

The business is valued to determine the ownership to be held by the ERPA.

#### **4. Investment is made in the business by the ERPA**

The ERPA invests directed funds into the small business.

**Whether you utilize the basic features of the ERPA or use its advanced features to capitalize a business ...  
You will want to turn the page to uncover the 15 key features of the premier Retirement Plan for small business entrepreneurs.**

## *Key Features of the ERPA You'll Want to Know and How It Holds Up to Scrutiny*

- **Fully Functional 401(k) and Profit Sharing Plan** - The ERPA is a fully functional 401(k) plan so an entrepreneur and his or her employees will immediately be able to begin building or continue building retirement assets by deferring income into the plan.
- **Regulatory Compliance** - The ERPA is designed to maintain and maximize compliance with applicable regulatory provisions overseen by the Internal Revenue Service and the Department of Labor. Accordingly, the Safe Harbor provisions of ERISA have been fully adopted and implemented.
- **Plan Administration** - The ERPA is professionally managed and administered to guide employers in plan compliance. For example, employees must be notified about the plan when hired and at least annually thereafter, contributions and investment activity must be properly tracked, the plan must be updated to match any legislative changes, annual reports with required disclosures must be filed, prudent investment selections should be provided, and so on.
- **Independent Trustee/Fiduciary Platform** – Entrepreneurs who serve as trustees to their retirement plans find it exceedingly difficult, even impossible, to be independent in the decisions associated with plan administration, especially when it comes to the prudence of investing in employer stock. The ERPA is professionally managed and administered with an independent Trustee/Fiduciary platform. This means that entrepreneurs receive ongoing professional support and are not simply left on their own after adopting the plan.
- **Qualifying Employer Securities Provision** - When the ERPA is used to make an investment in the entrepreneur's business, **NO** tax or penalty is incurred when properly implemented and administered.
- **Investment Portfolio Selections** - Complete turnkey solution with a set of globally diversified, professionally managed portfolios.
- **Custodial Services** - No additional custodial services required.
- **Recordkeeping and Third Party Administration (TPA)** - Recordkeeping and TPA functions are provided as a part of the plan's comprehensive service.
- **Electronic Recordkeeping** - All recordkeeping is maintained electronically and fully secured with each participant having access to manage his or her account 24 hours a day. Thus, the entrepreneur is not burdened with ongoing recordkeeping obligations.
- **Quarterly Account Statements** - In addition to continuous electronic account access, participants receive quarterly statements.
- **Annual Audit** - The ERPA is audited each year by an independent Certified Public Accountant.
- **Unlimited Advisory Support** - The annual plan maintenance cost includes unlimited compliance support for the entrepreneur and the entrepreneur's tax preparer, attorney, and any other key advisors on any compliance matter associated with the retirement plan.
- **Form 5500 Reporting** - The annual Form 5500, which is the IRS-mandated reporting document for retirement plans, is included as a part of the annual plan maintenance cost.
- **Regulatory Amendments and Document Updates** - The implementation of all applicable regulatory changes and document updates are included as a part of ongoing plan support.

## *Introducing ... the Plan Administrator and Plan Fiduciary of the ERPA*

Monty W. Walker is the senior principal of Walker Business Advisory Services and Entrepreneur Retirement Benefits (ERB). While both firms provide strategic business and transaction advisory services to the closely-held business market, Entrepreneur Retirement Benefits' focus is the design, implementation and support of innovative retirement strategies such as the ERPA.

Monty Walker works with entrepreneurial clients throughout the country advising them in the areas of business transactions, business structuring and design, business tax planning and business exit planning.

Entrepreneur Retirement Benefits, LLC is the Plan Sponsor for the ERPA. Plan trustee, fiduciary, administrative and management support services are rendered through ERB and its key personnel and partners.



Monty W. Walker  
CPA, CBI, BCB  
[www.walkeradvisory.com](http://www.walkeradvisory.com)

### *A Few Points of Interest About Monty Walker ...*

- Mr. Walker does not serve as a business intermediary. He only provides advisory services.
- Works with business sellers, business buyers and their various advisors, such as business intermediaries, accountants and attorneys to manage the financial, tax, planning, and procedural matters associated with buying and selling businesses.
- Has a comprehensive business background in the private closely-held sector spanning over two decades which includes experience in both start-ups and established entities.
- Manages and administers plans that enable entrepreneurs to use their accumulated retirement money as a business capitalization source while preserving tax deferrals and avoiding penalties. His advisory services in the qualified money arena include solutions using self-directed IRAs and small business investment 401(k) plans.
- Developed and assists entrepreneurs throughout the country with a proprietary transaction planning review which results in a comprehensive "Tax and Structuring Analysis Report."
- Subject Matter Expert for the International Business Brokers Association in the area of Business Transaction Taxation, Structuring and Planning. He is also an approved instructor for the International Business Brokers Association, the Texas Real Estate Commission and the Texas Department of Insurance.
- Is a member of the American Institute of Certified Public Accountants, the International Business Brokers Association, the Texas Association of Certified Public Accountants, the Texas Association of Business Brokers, the Institute of Certified Business Counselors, and the Society of Financial Service Professionals.
- Certified Public Accountant, Certified Business Intermediary, Board Certified Broker.

## *Introducing ... The Investment Fiduciary Of The ERPA*

Kevin S. Price is the Chief Investment Officer of Interlake Capital Management, LLC, a Registered Investment Advisor (RIA) headquartered in Madison, Wisconsin.

Interlake manages assets for private clients and defined-contribution retirement plans. The firm's absolute independence allows Interlake's professionals to make investment decisions purely on their merits.

As an RIA, Interlake has a fiduciary duty to act in its clients' interests above all others, a legal principle that assumes special importance in the context of 401(k) and other retirement plans.

Mr. Price brings an excellent mix of education, experience, quantitative skills, and temperament to the professional team of the Entrepreneur Retirement Benefits, LLC.



Kevin S. Price  
Chief Investment Officer  
Interlake Capital Management  
[www.interlakecapital.com](http://www.interlakecapital.com)

## *A Few Points Of Interest About Kevin S. Price ...*

- A *summa cum laude* graduate of the University of Puget Sound.
- University of Wisconsin, Ph.D.
- Mr. Price directs Interlake's investment practice.
- After holding a faculty position at the University of Washington, Mr. Price worked on a discretionary portfolio management team at Merrill Lynch & Co.
- Co-founded Interlake Capital Management in 2006.
- Mr. Price is the primary author of Interlake's high-regarded blog, The Float, which has been cited and quoted by media outlets such as *The Wall Street Journal*, *BusinessWeek*, *Money*, *Fortune*, *IndexUniverse.com*, and *Research*, and by several leading finance-related blogs.
- The Float is also syndicated by *SeekingAlpha.com*, a collection of some of the web's best investment commentary.
- When working with 401(k) plans, Mr. Price and his Interlake colleagues serve as investment fiduciaries under Section 3(38) of ERISA.

*Which Vessel Would You Rather be in During a Storm?*



Two vessels are about to leave port. One is an inflatable dingy, the other a luxury ocean liner. With a long journey ahead, you have the option to choose the vessel in which you'll travel. When making your decision, remember that major storms do occur at sea. Both vessels float and each will get you started on your journey. But which one would you rather find yourself in during a storm? It's not whether a vessel can float at the start; it's which vessel will get you where you want to go that counts.

The ERPA is the most advanced plan platform available to small businesses with a total cost unmatched by any other plan capable of providing similar benefits.

Considering the professional team overseeing the plan's administrative and investment functions, the ERPA's modest annual cost is well worth every dollar.

We invite you to minimize your compliance exposure, your expenses, and your hassles with the Entrepreneur Retirement Plan of America, the finest retirement savings program of its kind.

**The Entrepreneur Retirement Benefits, LLC**  
ERPA is an unmatched and  
unequaled compliant  
Retirement Plan  
that withstands exposure  
and scrutiny

**Now You Understand Why So Many  
Small Business Entrepreneurs Turn to**

**Entrepreneur Retirement Benefits, LLC**

**For a Professionally Managed and Compliant Retirement Plan**



**Entrepreneur Retirement  
Plan of America**

Entrepreneur Retirement Benefits, LLC

Telephone: (940) 322-5086

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P. O. Box 8066  
Wichita Falls, TX 76307-8066

Physical Address:

813 8<sup>th</sup> Street, Suite # 550  
Wichita Falls, TX 76301-3318



## *Entrepreneur Registration Form*

### Entrepreneur Information

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ - \_\_\_\_\_

Contact #: \_\_\_\_\_ E-Mail: \_\_\_\_\_

### If You Were Referred By Someone, Please Complete The Section Below

#### Referred By:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ - \_\_\_\_\_

Contact #: \_\_\_\_\_ E-Mail: \_\_\_\_\_

#### Form Instructions:

The purpose of this form is to register Entrepreneurs interested in adopting the Entrepreneur Retirement Plan of America "ERPA" to serve as their official retirement plan. The ERPA is a Multiple Employer Safe Harbor 401(k) and Profit Sharing Plan specifically designed to enable the Plan to invest in an Entrepreneur's business.

For answers to questions, please contact Monty Walker at Entrepreneur Retirement Benefits, LLC at (940) 322-5086.

This form can be submitted via fax to (940) 322-5088 or via e-mail to [mwalker@walkeradvisory.com](mailto:mwalker@walkeradvisory.com) or via US Mail using the following information:

#### Mailing Address:

P. O. Box 8066  
Wichita Falls, TX 76307-8066

#### Physical Address:

813 8<sup>th</sup> Street, Suite # 550  
Wichita Falls, TX 76301-3318