

Summary of Member Benefits

Midwest Exchange Inc. is a national 1031 Exchange Cooperative owned by the professional member firms it serves throughout the country.

Treasury regulations permit professionals to provide 1031 exchange services to their clients provided that the professional firm owns less than 5% ownership in the Exchange Company.

Member Benefits of the Exchange Cooperative

- 1. Increase your profits:** Whether you have 1 exchange or 100 exchanges, receive 20% of each client fee as a patronage dividend from the Exchange Cooperative as an individual owner or firm owner for each of your clients that engages in an exchange without increasing your overhead, staffing or risk.
- 2. Offer a niche service to gain more clients:** Your firm can offer branded exchange services to your clients and prospective clients.
- 3. No risk to you:** Member firms are protected from errors or risk in connection in providing exchange services by our errors and omissions policies and malpractice policies.
- 4. Eliminate non billable** time researching narrow points of tax law.
- 5. You make the call** and we do all the work while keeping you informed.

What we do for you and your clients

Our experienced Board Certified tax attorneys and exchange professionals:

- Identify and implement the best tax strategy to maximize the cost savings utilizing our 26 years of extensive tax lawyer expertise
- Review any and all documents in connection with the transaction to avoid errors or mistakes in connection with the exchange;
- Provides audit ready package with tax forms, documentation and a tax opinion, if requested, that protects the client from IRS penalties and interest thereon.

Call Toll Free Telephone **1.877.395.1031** Stephen L. Robison, JD, LL.M Taxation OSBA Federal Taxation Specialist and Certified Exchange Specialist steve@spe1031.com.

Who We are

Since 1990 SPEX has been providing every type of 1031 exchanges with every type of business asset. Uniquely, our firm is the only Exchange Company that handles all aspects of the exchange from tax strategy, document preparation, tax reporting, and a tax opinion, if requested.

Summary Overview of Exchanges

Taxable gains from the sale of business or investment assets can be deferred provided the client reinvests in similar assets w/in 180 days before or after the sale. 1031 Exchanges reduce the costs of investing in real property including taxes and the financial cost of additional debt.

<u>2018 Federal Tax Rates</u>	<u>Individual & Pass-through</u>	<u>Corp</u>
Capital Appreciation	15%/20%	21%
Net Investment Income Tax	3.8%	
Real Estate Depreciation	25%	21%

Business Property that can be Exchanged

- Residential, commercial and investment real estate, leaseholds and natural resources
- Mixed realty

SPEX Reduces Section 1031 Exchange Risks

1. Exchange Funds 100% protected in separate exchange escrow accounts.
2. Continuously monitor exchanges to eliminate errors or mistakes.
3. Errors and Omission Insurance on each Exchange.
4. Tax opinion protects against IRS penalty and Interest.
5. Owned and managed by Tax Attorneys.

Types of Transactions SPEX handles:

Forward Exchange: Sell first, then purchase within 180 days.

Reverse Exchange: Purchase first, then sell within 180 days.

Combo Exchange: Purchase/ Sell/ Purchase w/in 360 days [combination exchange].

Construction Exchange. Minor and major construction projects during the exchange period.

Leasehold Exchanges: Constructing improvements on property already owned by the client or an affiliated taxpayer.

Development Exchange: Purchase and hold or develop with unlimited time to sell.

Partnership Exchanges: Restructure partnerships in order to qualify under Section 1031.

Multi-Asset Exchanges: such as sale of chemical manufacturing asset.

Foreign Exchanges: Overseas assets for US businesses, investors or green card holders.

Foreign investors in US. US assets owned by Foreign Nationals