



**Plenti**  
FINANCIAL



Plenti Financial 1031  
Exchange Roadmap

**INVESTOR INFORMATION**

[www.plentifinancial.com](http://www.plentifinancial.com)



Hi, I'm David P. Greenberger, President of Plenti Financial. I wanted to tell you the two reasons I went to law school a long time ago: I wanted to help people, and my mother told me to.

But it wasn't until twenty years later—the day I stopped practicing law—that I really started to help people. It all began with a simple idea—help as many people as I can improve their lives through smarter real estate investment choices. With this in mind,

I also published an exciting new “Road Map” which we offer at no cost that helps investors make those choices. I became an expert at how to sell, buy and obtain cash from real estate tax free.

Everyone's property, circumstances and stage of life is unique. We look at every scenario and find many worthwhile choices that most people never knew they had.

I invite you to call and learn about some of your life choices you might not realize you have.

Remember death and taxes are certain, unless you exchange!

Sincerely,

A handwritten signature in black ink, appearing to read "David P. Greenberger". The signature is fluid and cursive.

David P. Greenberger, Esq., President

## About Plenti Financial

In business for almost 40 years, Plenti Financial is a nationwide provider of 1031 exchange accommodation services. There has never been a claim to recover funds against the firm. Your exchange funds, once sent to our bank cannot be moved without your signature. This is due to a special account agreement governing the exchange account (Qualified Escrow Agreement) which requires your signature and instructions before funds can be moved. We work with some of the largest brokerages in the country and have appropriate level of errors and omission insurance and fidelity bond coverages.

The banks we utilize have only the highest ratings in many categories for security and liquidity and we are always in the process of adding others.\*

[View a sample of our Qualified Escrow Agreement](#)

[Click here to schedule a consultation](#)

*Current institutions: Pacific Western Bancorp, FDIC, California Republic Bancorp and others.*

*\*Based on a report by Highline Financial. (www.highlinefi.com). Plenti Financial is a qualified intermediary as required by the IRS to facilitate your exchange and does not provide legal or accounting services. Please consult your attorney or accountant for legal or accounting advice*

# Your Plenti Financial 1031 Exchange Roadmap

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[Click here to schedule a consultation](#)

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[Click here for Tax Free consultation](#)

# Introduction

## WELCOME TO THE PLENTI FINANCIAL 1031 EXCHANGE ROADMAP!

Our staff is excited to introduce the Plenti Financial 1031 Exchange Roadmap—your guide to a successful 1031 real estate exchange transaction. This Roadmap was created as a guide to learning your options and a way to get started in planning your exchange. We hope it will help you answer the big question...it's easy to sell...what should I be getting into? For up to the minute property options visit [selltaxfree.com/choose-your-reinvestment](https://selltaxfree.com/choose-your-reinvestment)

Here at Plenti Financial we make it our mission to encourage thoughtful questions about tax free investing, answer any and all inquiries regarding 1031 exchanges (free of charge) and help improve lives through smarter real estate investment choices. To schedule a no obligation consultation please visit [plentifinancial.com/1031-exchange-schedule-a-consultation](https://plentifinancial.com/1031-exchange-schedule-a-consultation)

In this first volume we have mapped out 10 different investment opportunities that are intended to open your eyes to the different types of exchangeable properties.

- Residential Properties
- Multi Family
- Home Office
- Triple Net Leases (NNN)
- Delaware Statutory Trust (DST)
- Condo Hotels
- Oil and Gas
- Raw Land
- Foreclosure
- Cash Out Options\*

In this first volume we have mapped out 10 different investment opportunities that are intended to open your eyes to the different types of exchangeable properties.

Want to discuss possible exchange investments?  
[Click here to schedule a consultation now](#)

Remember in life it is the road well traveled that makes for an enjoyable journey. In investing, the road well planned with an eye toward flexibility and rethinking your options, will lead toward fulfillment and TAX FREE riches!

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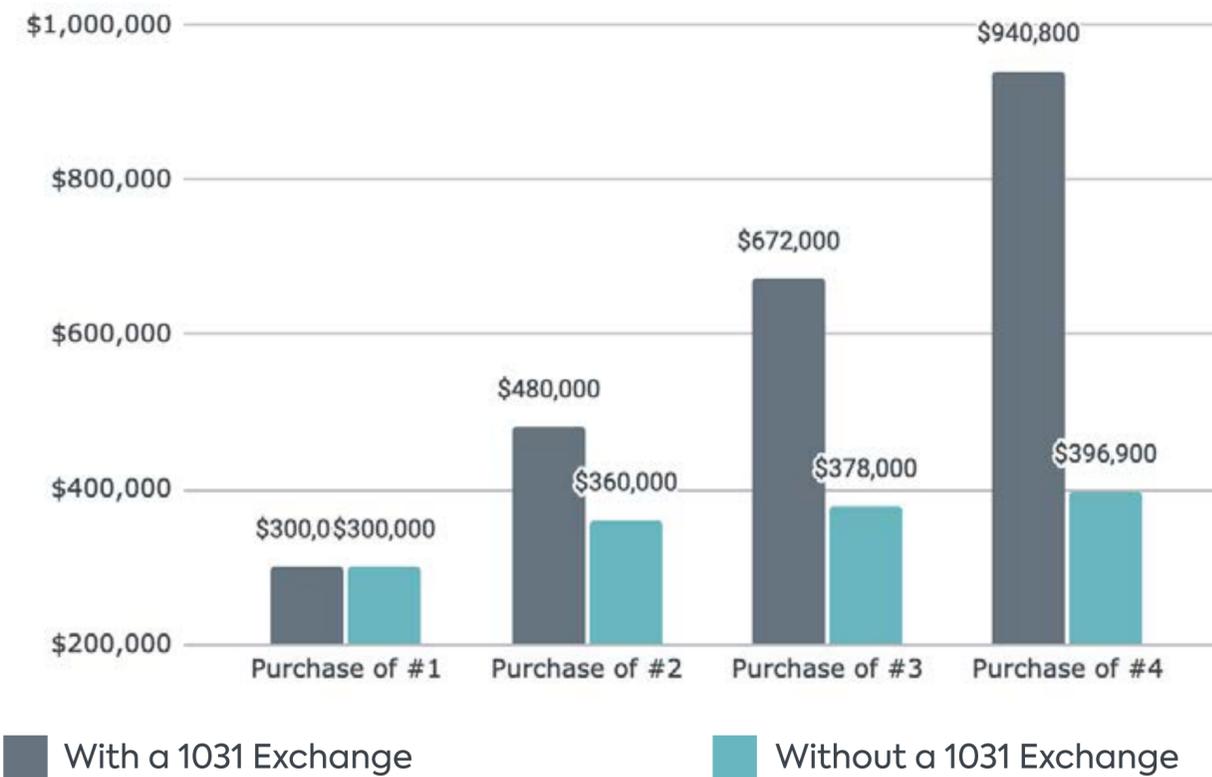
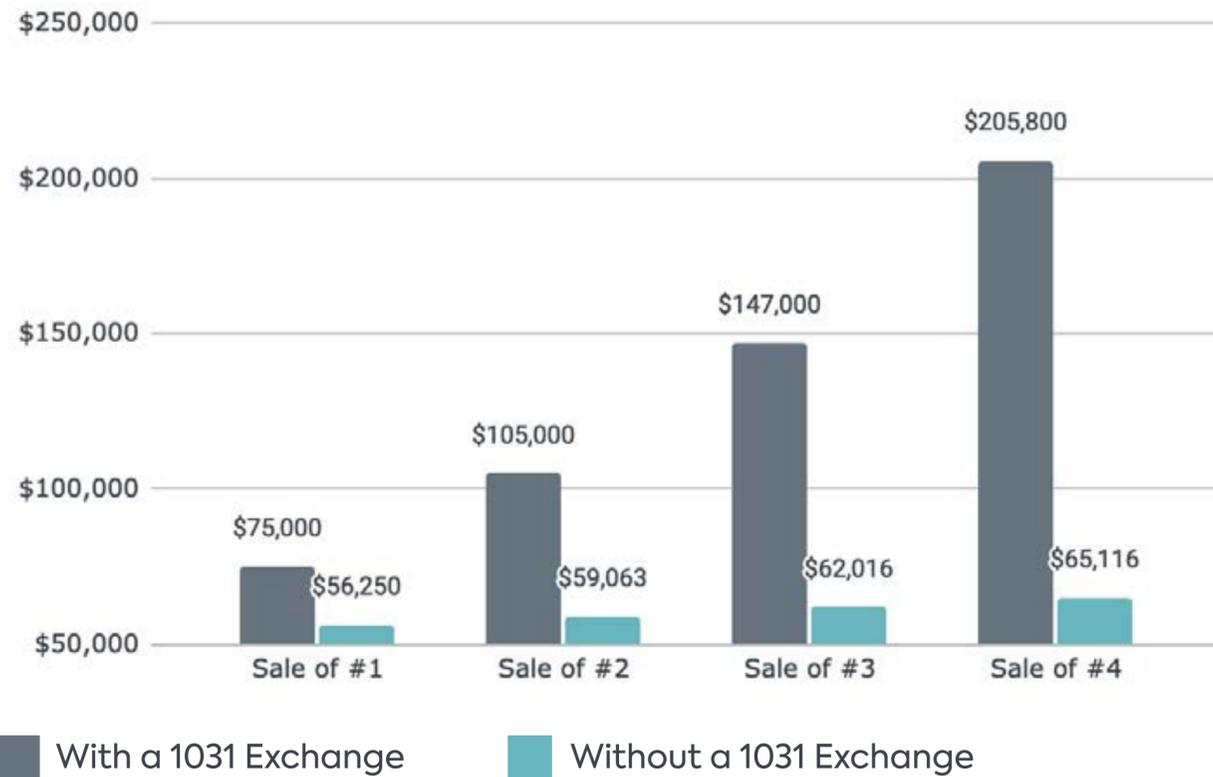
*\*This involves lending concepts and unique investment options.*  
See [plentifinancial.com/1031-exchange-planning-ahead](https://plentifinancial.com/1031-exchange-planning-ahead)

# Earn More Profit and Buy More Real Estate with a 1031 Exchange

If you started with a property worth \$300,000 and exchanged four times you would earn almost 3 times the profit and have almost 3 times the amount of real estate than if you hadn't exchanged.

**After tax profits from 4 sales is 3 times more using a 1031 exchange.**

**Amount of real estate you can buy grows by almost 3 times with 1031 exchange. Value of real estate bought after 5 years.\***



*\*Value of real estate purchased is based on a 5 year hold and appreciation of 5 % per year starting with one property worth \$300,000. Assumes a loan of 80% LTV for each purchase.*

Since you wind up with three times the profit and three times the equity in an exchange, why not register to get a \$200 fee discount on your next exchange? [Click here to register with no obligation](#)

# Frequently Asked Questions

## **HOW CAN I QUALIFY TO PAY NO TAXES WHEN I BUY, SELL AND GET CASH OUT OF MY PROPERTY?**

Anyone can qualify! Recent changes to section 1031 of the IRS code now make qualified sales and purchases of investment property, business use property and even residences tax free. You no longer have to “exchange” as in the past. You simply have to follow specific rules for selling and buying within a 180 day time period, and use a qualified intermediary.

## **WHAT IS A QUALIFIED INTERMEDIARY?**

That’s us. The IRS says if you touch the money, you pay the taxes, but if you use a qualified intermediary to transfer the money from any sold property into any purchased property, you may qualify for a tax free exchange.

## **CAN I GET LEGAL OR TAX ADVICE FROM YOU?**

No. The IRS does not permit your attorney, accountant or escrow company to be your qualified intermediary, and vice versa. So as your qualified intermediary we will work with your attorney and tax advisor to make sure you qualify and your transaction is tax free.

## **CAN I GET MONEY OUT TAX FREE WHEN I’M SELLING?**

Yes, you can take money out of the property you are selling, or the property you are buying, tax free. Check with us for the details as the timing and contract dates are critical.

## **I’VE ALREADY SOLD MY PROPERTY. CAN I STILL MAKE IT TAX FREE?**

Yes, provided your sale has not yet closed, simply call us and we will turn your taxable sale into a tax free exchange with some simple paperwork. You can call us right up until the day before closing.

## **CAN I BUY OR SELL MORE THAN ONE PIECE OF PROPERTY TAX FREE?**

Yes, there is no limit to the number of properties you can sell or buy tax free. Some of our clients are retiring and liquidating several properties that have to be managed in order to invest in one larger property with less management. Others are taking their profits from one property and building wealth by re-leveraging into multiple replacement properties.

## **HOW CAN I SELL TAX FREE AND RETIRE WITH A MORTGAGE-FREE HOME?**

If you let us plan it correctly, you can sell your investment property tax free, acquire your ultimate retirement residence, and own it mortgage-free.

## **WHAT DOES IT COST TO DO A 1031 TAX FREE EXCHANGE?**

We guarantee the lowest fee of any bonded and insured accommodator. More importantly, we make your exchange risk-free with our exclusive “Guaranteed Tax Free or Half Fee” policy. If, for any reason, you don’t complete your tax free exchange, we refund half of the fee.

[Click now to schedule a no obligation consultation](#)

# The 3 Biggest Tax Myths in Real Estate

## MYTH 1 I'LL HAVE TO PAY MY TAXES SOONER OR LATER.

No, you can avoid paying taxes on real estate profits forever. By simply following the 1031 rules every time you sell and buy, your gains will be exempt until you die. Then, your estate escapes all the tax on profits forever! We call it the “Swap until you drop” plan.

## MYTH 2 I CAN ONLY BUY SIMILAR PROPERTY IN A 1031 EXCHANGE.

No, almost every kind of real estate is considered “like kind” and can be exchanged for any other real estate, including vacant land for apartments, a rental house for a shopping center, an office building for a leasehold interest with 30 years or more remaining, as long as you own it for investment or business use.

## MYTH 3 I CAN'T EXCHANGE BECAUSE I'VE USED MY PROPERTY AS MY PERSONAL RESIDENCE.

No, you can still qualify! If you satisfy the requirements, you can actually combine both your primary residence exclusion and complete a tax free exchange when you sell.

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## OKAY, SO HOW DO I GET STARTED?

Call us toll-free today at 866-828-0729. There's no cost or obligation. You'll talk with an experienced, friendly and helpful exchange consultant. We've been helping people with tax free exchanges for more than 20 years. You'll get straight answers to every question you have. Call today, you'll be glad you did!

Once you have made the commitment to exchange read through the following pages to learn more about the types of properties to exchange into. A well planned exchange means you know what you will buy before-you sell.

[Click here for more FAQs](#)

[Click now to schedule a no obligation consultation](#)

## Residential Properties

As prices have soared during the past five years, more people have been selling their homes for bigger gains than the exclusion amount under Section 121 \*. Sellers are surprised to find out rates can run between 30 and 40% or more on capital gains, especially in New York City where it can be as high as 47%. Investors selling depreciated property can have even higher taxes due. Sellers most likely to be affected are homeowners who bought at the right time in some of the hot markets such as California, Florida, Hawaii, and New York.

Most homeowners who have owned a property for seven (7) years or longer are sitting on a large gain that will not be covered entirely by Section 121. That's good news when you've made a handsome profit but it's better news when you realize that exchange options can save you all the taxes that would normally be due.

### EXAMPLE 1

A homeowner with greatly appreciated real estate may sell the entire property tax free and roll it into an income producing investment and a smaller, downsized future residence. This new residence could be mortgage free if the numbers are planned properly.

### EXAMPLE 2

An investor could liquidate a strip mall in Ohio and invest in a home in Boca Raton, Florida, then hold it or rent it for a year before moving in.

### THE BOTTOM LINE

Residences with large appreciation are truly investments. Proper planning will help to ensure a reduction or even an elimination on the taxes owed. You may want to consider completing a 1031 exchange and re-invest in what will eventually become your residence.

Want to sell your former residence and buy a smaller one tax free?

[Click here to schedule a consultation](#)

How about a retirement home or second home?

[Click here to learn more](#)

*\*Married couples filing jointly can exclude up to \$500,000 of their gain. For widows, widowers, divorced or singles, the limit is \$250,000.*

## REPLACEMENT PROPERTIES THAT SATISFY EXCHANGE REQUIREMENTS

### Multi Family

For the investor, early on in his investment career, a multi-family property is a great way to continue investing and exchanging real estate that can appreciate and throw off good cash flow. It is possible to combine a residence with a multi family property and use part of the property as your residence and the remainder as an investment/exchange property as in a 1-4 family unit.

#### THE BOTTOM LINE

When owning a multi-family property, one unit can be your residence and still qualify under Section 121, while the portion of the property that is being rented (or held for investment—the code says either, so it need not be rented) can be exchanged under Section 1031 instead of selling, paying the tax and then reinvesting.



### Home Office

Under Section 2005-14, taxpayers may invest in and exchange residential property which has a portion of the property as a home office or work space. Under Section 1031, the appraised value of the business portion is used to determine the value of the exchange property.

#### THE BOTTOM LINE

Section off the square footage of your home office and have it appraised. The value from the home office (the square footage) may then be exchanged into your replacement property TAX FREE!

Want to sell and buy property with a home office or a multi family property and live in one unit? [Click here to schedule a consultation](#)



## REPLACEMENT PROPERTIES THAT SATISFY EXCHANGE REQUIREMENTS

### Triple Net Leases (NNN)

Real estate investors usually consider triple net properties as a high-quality investment because they are one of the most secure due to the fact that they sell quickly and most tenants are highly qualified and credit-worthy.

When investing in a Triple Net Lease (NNN), the tenant pays all the ongoing operating expenses, property taxes, utilities, insurance premiums, maintenance, and repairs! Meanwhile, you (the landlord) collect monthly net rental income (after your mortgage payment) the same as with a traditional real estate investment. These leases are normally extended over the long term because financially strong corporate entities (i.e. Wal-Mart, Office Depot, CVS drug stores, Jiffy Lubes, Jack-in-the Box, etc.) guarantee a long term period of 10 to 25 years.

#### THE BOTTOM LINE

A Triple Net Lease is ideal for an investor wanting to avoid management intensive rental property. Instead of selling and then reinvesting...1031 exchange into your new investment and bypass the capital gains tax, which gives you the ability to roll over all of your gain thereby improving your return in a higher grade, stable, triple net investment.

Want to connect with a vendor to learn more? [Click here](#)



## Tenancy in Common (TIC) Delaware Statutory Trusts (DST)

Whether property is held in a Tenancy in Common (TIC) or the new structure or Delaware Statutory Trust (DST), these structures comply with 1031 requirements and allow unrelated investors to own an interest in large properties together and satisfy 1031 requirements. You can have just two (or more) owners for a TIC among friends or associates, but for sponsored TIC's most involve many more.

In a Delaware Statutory Trust or DST structure, the sponsor issues shares in a Trust which owns the real estate and the shares in that trust satisfy the 1031 like-kind property requirement. This is a more desired structure because it eliminates legal issues associated with the bankruptcy or divorce of individual investors. Typically property classes held for investment are either: multi-family, retail centers, office buildings, medical facilities, commercial outlets, etc. that derive a reasonably steady income stream under a long term lease. A sponsor acquires the property, structures the DST, arranges for permanent financing and management and offers shares to investors.

### NOTE

These are sold under prospectus and each one should be reviewed by an attorney and an accountant before any investment decision is made. DST's serve a need in the marketplace but investors must proceed with all eyes open and be aware of the lack of immediate liquidity.

### THE BOTTOM LINE

DST properties may work well for exchangers who had:

- Immediate property available for investment
- Reduced involvement in the management of properties
- A steady return on investment
- Larger buildings as an investment but without large cash investments
- Investments of \$25,000 and up in a DST
- After \$25,000 and up in a DST; loans may be available without personal qualifications

### OTHER STRUCTURES

UPREITS and Self Directed IRA Accounts. DST's and TIC's are available through sponsors.

Do you want to discuss the risks associated with these types of investments? [Click here to schedule a consultation](#)

## Condo Hotels

Condo hotels are real estate investments for the individual owner wanting a piece of the hotel industry. Condo hotels are private units that are owned by individuals and then may be rented out on a daily basis to guests. The owners of these units are given the option of placing their unit under the hotel management program. The revenues are then shared between the owners and the management company. All percentages will vary depending on the agreement.

### NOTE

Most time shares do not qualify for 1031 treatment. Don't forget that vacation and seasonal homes are also exchangeable and that condo offices are available and offer ownership interest, stable payments, predictability of monthly costs and a great way to invest at your workplace! As with any 1031 investment, you need to analyze the positive affect created since all monies come from the sale—not siphoned off to pay capital gains taxes, making these investments attractive.

### | THE BOTTOM LINE

Condo hotels have caught the attention of the real estate investment community over the last few years. What makes these so appealing to buyers is the concept of owning a property that generates revenue when not being used by their owners. The investor also avoids the maintenance costs of a traditional vacation home, and is able to offer



services and amenities that are part of the hotel resort experience. While 1031 rules restrict personal use to two weeks per year, these investments can be converted to primary residence status or vacation home status after first satisfying the replacement property hold period requirements.

Combine a vacation property with tax free money and you get years of enjoyment. Why not plan your next vacation around an exchange? [Click here to schedule a consultation](#)

## REPLACEMENT PROPERTIES THAT SATISFY EXCHANGE REQUIREMENTS

### Oil and Gas

Many investors interested in 1031 exchanges are unaware that numerous oil and gas programs are of “like-kind” to all other 1031 replacement property. This is made possible because real estate ownership can include mineral rights, at a fractional interest of a long term lease, (greater than 30 years) which allows investors to exchange tax free from any investment property to an oil and gas property.

In other words, you can exchange a working or royalty interest for another working or royalty interest or even a hotel or office building. Oil and gas interests have several very attractive characteristics. For one, the demand for oil and gas is virtually unwavering; there are always vehicles to fuel, homes to heat, and power to be generated using oil and natural gas. Also, in many of the oil and gas deals, there are limited closing costs or additional fees to consume part of your investment. Finally, oil and gas investments have a significant upside in respect to returns.

#### THE BOTTOM LINE

A 1031 exchange into an oil and gas property is ideal for the mid to late earning career investor. This type of investor becomes attracted to exchanging into oil and gas rights because of the potential returns; lack of any maintenance requirements, and the diversification opportunities.

To learn more about different investments available visit: [plentifinancial.com/1031-exchange-planning-ahead](https://plentifinancial.com/1031-exchange-planning-ahead)



## Raw Land as an Investment

An investment in undeveloped land can have one of the highest appreciation rates over time. Historically, land values continue to increase over the long term, in spite of the occasional downturn. Undeveloped land is not a pure speculative investment. It is generally a purchase made with the intention of personal or other use, while hopefully increasing in value. You'll want to do your homework for this type of purchase, especially if you intend to use the land.

- Compare the land prices, its quality and the seller's service.
- Is the land accessible?
- Will the seller scrape the roads if needed?
- Do you need to be near electricity or are you going to use alternative energy?
- Is the seller able to provide service to the landowners after the sale?

The most important thing is that the land be suited to your needs and lifestyle, when considering cost and in its location. Always consider the reason you are buying the land, the things you want to accomplish, and how soon.

Some land may be fine to hold for a retirement project 20 years into the future, but the same property may be appropriate for building a retreat or home within the next couple of years.

### THE BOTTOM LINE

From an exchange point of view, keep in mind that you may improve your land but it must be held for investment before exchanged. For example, you can't rezone, market and then exchange the property. The best strategy is to buy the land, make needed improvements, and be certain it is in a location that might become a retirement or second home. As a straight investment for appreciation, your investment is completed with tax free dollars and may some day, if improved, be used by you mortgage-free as a second residence or retirement home.

Remember, you may also exchange another property and use the proceeds to improve your replacement property that you already hold.

To learn more about different investments available visit: [plentifinancial.com/1031-exchange-planning-ahead](https://plentifinancial.com/1031-exchange-planning-ahead)

[Click now to schedule a no obligation consultation](#)

## Foreclosure

A foreclosure is an action taken against a property owner by seizure of their real property. It can be for many reasons. The most common cause of a foreclosure is delinquent payments on a mortgage. It can also be due to medical bills, delinquent taxes and other liens, even credit cards.

In general, foreclosed properties sell at a substantially discounted price. This discount is normally larger when the foreclosure occurs early in the life of the loan on the property. The scale of the discount varies by the type of house, borrower, seller attributes, loan types, time, local governments and locations.

Reverse exchanges are generally more common when a taxpayer wants to take advantage of a good buying opportunity, such as a foreclosure purchase. This is due to the fact that the taxpayer needs to move quickly to take advantage of the acquisition at hand and then after the purchase will have 180 days to market and close tax deferred on a property he already owns. The foreclosed property will be the first leg of his reverse exchange.

[Click here to learn more about reverse exchanges](#)

### | THE BOTTOM LINE

Foreclosed properties may be vacant for a substantial period before they can be sold. This is due to the fact that the foreclosure legal process takes time to run its course. Remember, foreclosed properties and reverse exchanges are more costly and require more notice to establish prior to buying the property (usually at least 2 -3 weeks).

Financing is usually an issue so call us or click here to visit: [find my loan now](#)

These exchanges allow taxpayers to take advantage of good marketplace offerings such as foreclosed property, while selling a portfolio property tax deferred. There are many things to consider with foreclosed property investments.

For more questions visit: [plentifinancial.com/faqs](https://plentifinancial.com/faqs)

## 1031 Exchange Properties

Did you know you can use tax free dollars in your exchange account not only to purchase real estate but also to pay for improvements or construction at the property you buy?

This is a powerful tool because the value of the improvements is counted toward your exchange. So for example, if you sell a \$100,000 property and buy an \$80,000 property in your exchange, you can spend \$20,000 on improvements, for a total acquisition cost of \$100,000 to complete the exchange!

These are simplified explanations and there are potential pitfalls to look out for. Please contact our Improvement Exchange Department by phone, 866-828-0729 or via email for a comprehensive recommendation for your particular situation.

Each dollar spent is a full dollar as it is tax free! If those dollars were returned to you at the end of the exchange they would be taxable and so more like 70 cents on the dollar after taxes. So think of not only buying but improving!

Fees for improvement exchanges are an additional \$4,000

so unless your improvements are more than \$30,000 where taxes would be \$10,000 paying the additional fee does not make sense. You can also improve property you CURRENTLY OWN. But please call or email us to ask about the details.



Want to learn more? [Click here](#)

Want to learn about financing available for pulling tax free cash out of your properties? [Click here to find a loan](#)

## Reverse Exchanges

A reverse 1031 exchange allows you to purchase and close on a replacement property before the relinquished property is sold or even under contract if you follow the rules.

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### THREE REVERSE EXCHANGE METHODS

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#### ALL CASH

This method is as the name implies. The purchase is made with cash on hand. The funds for the purchase can be money from a refinancing or with available cash on hand.

#### PARKING METHOD

This method allows the purchaser to finance a replacement property with a traditional mortgage. With this method the title of the Relinquished property is deeded to the accommodator before the close of escrow on the replacement property. When the relinquished property is sold, the exchange is over.

#### FINANCING

Although difficult to find, a few lenders will, on occasion, finance a reverse 1031 exchange. Many lenders do not fully understand reverse 1031 exchanges and if approved often carry higher interest rates.

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These are simplified explanations and there are potential pitfalls to look out for. Please contact our reverse exchange department for a comprehensive recommendation for your particular situation.

Want to learn more about using tax free cash to improve your real estate? [Click here](#)

How about staying there while you fix it up? [Click here to schedule a consultation](#)

## New services to make your exchange a success!

### 24/7 ONLINE ACCESS AT [PLENTIFINANCIAL.COM](https://plentifinancial.com)

- Personal consultations with an attorney\* to help you structure, invest and meet 1031 requirements.
- Consultations may be conveniently set online at [plentifinancial.com](https://plentifinancial.com) to avoid telephone tag.
- Exchange documents are created instantly 24/7 making a last minute idea for an exchange “no problem!”
- Resources for real estate agents let them start conversations with prospects that we help finish. Our tools keep real estate agents in the loop and allow them to build their business.
- Investor tools such as: videos, articles, calculators and consultations that put you on the right track and keep you updated with the latest exchange information.

### TELL US YOUR STORY. LET US NAVIGATE YOUR EXCHANGE!

Most of our services are available at [plentifinancial.com](https://plentifinancial.com). It is your go-to resource to learn how to save taxes and exchange real estate. Daily 15 minute personal consultations with an attorney\*\* and connections to professionals and real estate investments. Instant 1031 exchanges can be created in minutes for standard, reverse or improvement exchanges. Register to save \$200 or more on all exchange fees at [plentifinancial.com/start-my-exchange](https://plentifinancial.com/start-my-exchange).

*\*Or trained mentor. Plenti Financial does not practice law. All consultations are performed by attorney trained mentors but not designed to be the practice of law. Kindly confirm all questions with your own broker, investment advisor, attorney or accounting professionals.*

*\*\*Or trained mentor*

## Next Steps and Checklist

This Plenti Financial 1031 Exchange Roadmap was written to help trigger creative investment scenarios that can enhance the earning power of your real estate investments. Now that you have learned about the different types of 1031 exchange opportunities, devising and implementing a plan is the next step. By following the steps provided below, you can eliminate all unnecessary complications and insure a smooth 1031 exchange transaction.

- Plan and get good advice BEFORE you exchange. Register at [plentifinancial.com/start-my-exchange](https://plentifinancial.com/start-my-exchange) to save \$200 or more on your next exchange. You can also visit [plentifinancial.com](https://plentifinancial.com) to easily and instantly open exchanges online, set consultation appointments, email questions and get ideas from our education and vendor resources.
- Make certain your accommodator is using a Qualified Escrow. Our firm provides this account to protect your funds. This account requires the bank to look for your signature before moving your exchange funds.
- Any sale can be turned into an exchange in minutes even without the buyer's cooperation. Just visit [plentifinancial.com/start-my-exchange](https://plentifinancial.com/start-my-exchange).

- Like kind real estate means any real estate can be exchanged for any other kind of real estate, not just condo for condo, or land for land. It is now possible to exchange land for home, commercial property for land, etc.
- Get started today. Call us or visit [plentifinancial.com](https://plentifinancial.com) and schedule a consultation to walk you through your investment options and review vendors of replacement properties. Remember, you have 45 days to identify a replacement property once your exchange starts, so call us now for a head start!

[Click here to find out more about timelines and next steps](#)



## Final Thoughts for the Road

**“RICH PEOPLE DON’T PAY TAXES...ONLY LITTLE PEOPLE PAY.”**

—*Leona Helmsely, wife of Real Estate Magnate Harry Helmsely*

**“TO BE CONSCIOUS THAT YOU ARE IGNORANT OF THE FACTS IS A GREAT STEP TO KNOWLEDGE.”**

—*Benjamin Disraeli, Former British Prime Minister*

**“THE PRIMARY PURPOSE OF GOAL SETTING IS TO PULL CHANGE IN THE DIRECTION YOU HAVE CHOSEN—ONE WHICH FITS YOUR EXPERTISE AND OVERALL PLAN.”**

—*Author Unknown*

Click here to learn more at [plentifinancial.com](https://plentifinancial.com)

### ABOUT THE AUTHOR



David P. Greenberger is an attorney and president of Plenti Financial, a bonded, licensed and insured real estate transaction accommodator. During his career he has represented thousands of commercial and residential clients and helped them in the sale, acquisition and management of their real estate.

# Glossary of Terms

## THE ROLE OF QUALIFIED INTERMEDIARY (QI) IN A 1031 “LIKE KIND” EXCHANGE

Section 1031 of the Internal Revenue Code (IRC) offers a great opportunity for real estate buyers to defer the capital gains tax liability associated with the sale of a business or investment asset. The 1031 exchange ensures the maximum return on investments to people of all financial backgrounds. To qualify for 1031 “like kind” property exchange the entire transaction has to be done in accordance to the detailed rules, regulations and compliance issues set forth in the US (IRS) tax code.

The Qualified Intermediary (QI), also known as a facilitator or exchange accommodator serves a crucial function under the Internal Revenue (IRS) Code. Choosing an Intermediary to facilitate the 1031 exchange is usually the first and one of the most important steps. QI should be a company that works on a full-time business of facilitating 1031 exchanges. The Internal Revenue (IRS) Code requires that the person or entity serving as QI cannot be someone with whom the exchanger has had a former business or family relationship prior to the transaction. The IRS code is clear in the fact that a QI has to be an independent organization whose only contact with the exchanger is to serve him as a QI.

## FORWARD DELAYED EXCHANGE

A type of exchange which occurs when a property is sold “Relinquished Property” and another property is purchased “Replacement Property” within 180 days following the sale of the Relinquished Property.

## RELINQUISHED PROPERTY

The original property being sold by the taxpayer when making a 1031 exchange.

## REPLACEMENT PROPERTY

Is the new property being acquired by the taxpayer when making a 1031 exchange.

## REVERSE EXCHANGE

This is the type of exchange in which the Replacement Property is purchased before the sale of the Relinquished Property.

*\*For information on preferred vendors that market individual replacement property investments, please call us at 866-828-0729 or visit [plentifinancial.com/contact](https://plentifinancial.com/contact).*

[Click here to find out critical questions to ask to avoid tax headaches](#)

[Click here to see more FAQs](#)

# Plenti

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[Click here to find the right investment for you](#)