

3 SIMPLE STEPS TO MULTIPLY YOUR RETIREMENT INCOME

USING FEDERALLY APPROVED PROGRAMS



A SPECIAL MARKET REPORT
COMMISSIONED BY CITY CAPITAL CORP.

**3 Simple Steps To Multiply Your Retirement Income Tax Free
Using Federally-Approved Programs**

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Introduction

How would you feel if you were to discover an investment strategy that earned *at least* twice what your current investments get now, and no matter how much money it makes, you'll never owe a dime in taxes on your earnings? Well, of course you'd like that idea, but you might also be a bit skeptical — who wouldn't? After all, it sounds like a dream scenario — too good to be true. However, thousands of people are finding out it *is* true, it's very real and very easy to do. In fact, it was created by none other than the United States government!

Rest assured, this doesn't require an offshore bank, high-risk investments or some pie-in-the sky mail-order course in order to experience the returns just described. It doesn't involve a hidden loophole that the government will suddenly take away. That is, unless they take away your ability to have an Individual Retirement Account (IRA) or a 401(k) at work.

How The Federal Government Allows You To Have Essentially Unlimited Funds At Retirement — Tax Free.

The federal government has never claimed or pretended that Social Security and other benefits were meant to be anything more than supplemental. It's always been expected that we would provide most of our own retirement income and benefits ourselves, through investments, pensions or an employer's retirement plan. However, when it comes to investments, the government isn't so generous. Anyone who's ever dabbled in stocks, bonds, mutual funds, real estate, or other investments knows how much income taxes on profits cripple the positive effects of compounding. When you have to draw down on your profits to pay the tax man those dollars can't work for you. ***Having to pay taxes on your gains is like taking a step backwards financially for every two steps you move ahead!***

On the other hand, if 100% of your investment money – including 100% of your annual profits – could be plowed back into your ongoing investments *without taxation*, can you imagine how much faster your nest egg would grow? This means you would have much more of a cushion for your retirement years.

Our U.S. Congress liked this idea, too. They figured, why not let average people save money and earn as much as possible towards their retirement years, without penalizing them with taxes each and every year along the

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way? So, in 1974 the **Individual Retirement Account (IRA)** was born in order to encourage retirement savings, and to make sure average Americans could sock away money and earn returns on their investments without having their profits eaten away by taxes.

*Note: If you feel you are already familiar with all the details and options having to do with IRAs, you might want to skip this section and move ahead to **Step One To Multiply Your Retirement Income Tax-Free.***

Traditional IRA = Taxes Deferred on Your Profits

An IRA is nothing more than a special kind of trust account recognized by the IRS. It can only hold and invest funds, and it must retain any profits until a future point in time, presumably when you retire.

It wasn't until 1981, however, that Congress made IRA's really special. That's the year they made "traditional" IRAs *tax-deferred*. As a result you can actually deduct from your taxes however much money you put into your IRA each year. In addition, you pay zero taxes on any profits your IRA earns until you withdraw the money during retirement.

Principle, interest, dividends, or capital gains within your IRA aren't taxed until the money is actually taken back out of the account. At that point it counts as ordinary income, which also means you'll pay taxes at the same rate as employment income, not at the long-term capital gains rates which are generally lower (but are paid every year on your gains along the way).

As soon as congress enacted these provisions, banks, stock brokers and insurance companies suddenly jumped on the IRA bandwagon. Today they still set up most of the retirement plans in America. Naturally, they invest all of their account holders' money into their own financial instruments, like mutual funds and stock.

The Roth IRA = ZERO Taxes on Your Profits

Congress added more flexibility to IRAs by creating the "Roth" IRA in 1998. Unlike a "traditional" IRA, you do not receive a tax deduction for your contributions each year. Why would anyone use a Roth?

What makes a Roth totally different from other retirement accounts is *when* you get your tax break. Instead of getting a deduction from your taxes today for the money you put into it, the Roth is *a tax-free account*, so you pay NO taxes on your interest, dividends, or gains — *ever*.

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With a Roth you only pay taxes on the dollars you deposit yourself — your principle — at your current tax rate. It allows you to pay taxes on the money during your earning years, when you're most able to do so, instead of in your retirement years. It allows you to pay taxes on the smaller amount, the principle, instead of the larger amount that includes all your profits, too. Many money-savvy investors chose to convert their Traditional IRAs into Roth accounts... even though it meant paying taxes on whatever balance they had accumulated. They realized they'd never pay any more taxes on anything they earned in a Roth retirement account from now on. And for investors who want to make a lot of money for their retirement, without having to pay taxes on the money, the Roth just makes good sense.

Independent Administration

As with other kinds of trusts, the Internal Revenue Service requires that all IRA accounts must be held by an independent “custodian” or “trustee,” to make sure the accounts stay in compliance with federal regulations. The trustee keeps required records, provides you and the IRS with financial reports, holds any negotiable documents for you (like stock certificates, deeds, etc.) and generally invests it the way you choose. Sort of.

Remarkably, the law requires an *independent* custodian, but it doesn't require an *impartial* third party company! Fact is, most custodial companies are financial institutions, so usually your only option is choosing in which of THEIR programs you want to invest. Beyond this, you really have no real control over your funds. Now you see why all the banks, insurance companies and brokers started providing IRA accounts as part of their services! They control millions, in some cases *billions of client investment dollars*, and they're more than happy to pay a low percentage rate each year while your money sits there passively. They realize most people will just forget about it, except of course to add another contribution each year at tax time. In fact, the motto of most institutionally controlled programs should be:

“You can choose whatever investment we offer, as long as it has Spam!”

The famous comedy troupe Monty Python had a popular skit where a hapless couple was offered a menu in a restaurant with a lot of options... all made with Spam. They could have anything they wanted, as long as they wanted Spam.

Henry Ford famously sold cars and trucks for years in any color a customer wanted... *as long as they wanted black!*

Likewise, many third-world countries have “open” elections... with only one candidate! Is this really the way we want our investments handled?

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Yet, statistics show up to 94% of all IRA accounts are left in the hands of institutional investment firms. Less than 5% of retirement account holders actively self-direct their accounts (an option that is available to all IRA account holders) opting instead to settle for the sedentary institutional offerings of the bank, stockbroker or insurance company that holds their account (as "trustee").

For most investors in traditional securities, whether in stocks, bonds, mortgages, futures or almost any other type of investments, the real measuring stick is the annual yield. Regardless of the profitability of an individual stock trade, it's what they've managed to make at the end of the year that counts.

High yields, however, are only usually only realistic for mega-money investors. The reason is simple: more personal attention and focus on the part of the broker. After all, a million-dollar investor means much more in annual fees and commissions than a \$100,000 client. Plus, it would mean a much greater loss to the broker to lose a million-dollar baby. The unfortunate reality is, most average investor's accounts just aren't large enough for serious attention by their broker, so they get only mediocre returns on their investment funds. The ridiculously low average investor returns these houses dole out is another reason it makes sense to consider City Capital's ***Multiply Your ROI Program***.

There is only one way to get the broader "menu" of investment options, and more and more investors are choosing to take the option to bow out of the institutionally-controlled investment arena completely, and take control over their investments. To do this, however, you must first determine to make your IRA account *self-directed*. That's Step One.

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Step One To Multiply Your Retirement Income Tax-Free:

Convert Your Existing IRA Into a Self-Directed Account, And Roll Over Other Retirement Funds Into It If Possible

Self-Directed Retirement Accounts

Just like the name says, you control what you do with a **Self-Directed IRA** or retirement account. *Making your existing account Self-Directed gives you the option of investing in almost anything you want* — within certain government guidelines (we'll talk about this in a bit). You can shop the entire market of investment options available to you in order to maximize this valuable personal investment tool. What kinds of things would you be interested in putting into your account? Here are just a few of your options:

- ✓ **Money Market, CDs, Savings Accounts** — Yes, these are options in a self-directed IRA probably not the top choices. After all, these are the types of investments you're trying to get away from by self-directing in the first place! Remember, the whole reason to go self-directed is to find investments that yield more than your bank or credit union.
- ✓ **Stocks, bonds, mutual funds** — There's nothing wrong with these as investments. However, unless you let your broker do it all, they require a lot of hands-on babysitting. For many people that's too much work. And, if you do let your broker handle it all for you, you're back where you started.
- ✓ **Collectibles** — Some people purchase gold, silver or even antique cars in their self-directed IRA. While there is some security in holding precious metals, there is no clear expectation of returns (like stocks, their value can go up and down pretty dramatically). Collectibles present several unique issues: you really need to know what you're doing, and most have a much smaller, niche market of potential buyers if you need to go liquid quickly.
- ✓ **Real Estate Properties** — Not surprisingly, this is probably the most common investment found in self-directed IRA accounts.. Didn't know you could buy properties with your IRA? You can... and there are plenty of opportunities all around. Plus, this is popular because most people have a pretty good idea of the basics involved. Usually, however, this option requires real hands-on work. Tasks

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like finding suitable properties, negotiating the purchase, rehabbing, renting and landlording, and property management can all become enormously time-consuming. On the other hand, you always have the actual property backing everything up... that's why it's called "real" estate. Ultimately, this option is only practical if you have a professional management group doing all the work, so you don't have to.

- ✓ **Notes or Mortgages** — This is another good use of investment funds. Instead of owning a property (holding the actual deed), you control it with the note or mortgage and earn whatever rate you establish. The return remains consistent, but there is essentially no way to increase the return through the life of the loan.
- ✓ **Cash-Flowing Businesses** — Most people don't realize that you can own a business in an IRA — without having to run it day-to-day or even set foot in it. You do, however, get to collect all profits from a thriving business tax-free (or tax-deferred)! Imagine having all the profits from a living business, like a sandwich shop or dry cleaners, with none of the hassles! Be sure to review the prospectus first, to get a good sense of just how much that could mean for your account each year. Of course, you can always sell it when you're tired of earning money!
- ✓ **Producing Oil or Gas Properties** — Who doesn't dream of owning their own oil well? There are a million-and-one reasons a productive well may be for sale... and with gas at \$5.00 a gallon, even a marginally-producing well could mean big bucks in your IRA.
- ✓ **Alternative Fuels and "Green" Technologies** — As energy costs continue to skyrocket, alternative fuels will be a burgeoning industry for some time to come. Instead of old technologies, you could invest in the growing demand for cleaner, "greener" energy sources. The best part is you don't have to be an engineer to make money from biofuels.

It's Like Becoming Your Own Bank

Instead of having to go ask the bank how much they'll pay you to park your money, when you self-direct your IRA you literally get to set the rate of return the way you want it. As you can see, the possibilities are diverse and interesting. Once you're no longer limited to the old low-paying institutional programs, your IRA can be managed the way YOU want it to be, and the money you have in it can be invested *actively*, for greater returns. Your IRA need not change in any other way; it can still be a traditional or Roth IRA with the same tax advantages as before and ***there are no taxes or penalties when you change your account to "self-directed."***

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**Yet incredibly, even with all these opportunities for greater returns,
*fewer than 4% of all IRA holders in the U.S. self-direct their IRAs!***

It's puzzling how, why so many investors stick with whatever they've been doing all along, even when they begin to understand how to make their retirement account start really performing. Why do they pass up something that can obviously outperform your existing investments? Well, here's one big reason...

Banks and brokerage houses have a vested interest in not encouraging self-direction!

This is pretty obvious, isn't it? Why would your bank, brokerage house or other financial institution encourage you to self-direct? That would mean removing money (*your* money!) out of their vault! They'd much rather keep humming along for years, effortlessly putting your money their own in-house investments (where **THEY** make the big returns, not you). After all, what they pay out to their depositors is chump change compared to how much they can earn on their investments, not to mention the high fees and commissions they collect year after year.

Has your bank ever asked you what **YOU** would like to invest in? Of course not! They're the experts, after all! They just tell you their interest rate on IRAs is such-and-such and so-and-so. Take it or leave it.

They know most investors aren't curious enough to question their returns. In fact, most of their clients are happy with whatever paltry interest rates they automatically receive on their accounts each year. It's something they don't have to think about.

When their clients move their IRA to a company that allows independent self-direction, the bank or broker stands to lose all those easy, automatic fees and profits they've been getting from the investments they've been soft-selling you.

So even if they don't *actively* discourage you from self-directing your own retirement, just try to find any information in their corporate literature or website about self-directing *anything!*

Independent Custodial Companies That Do What YOU Tell Them!

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For a self-directed IRA to exist, it needs to be held with a specific type of custodian/trustee, one that allows you to choose your own investments and investing strategy for your retirement funds. Unlike traditional banks or broker houses, they are truly impartial — independent of any investment company — and have no *investing agenda*.

You simply direct how you want the money invested, and your self-directed account custodian follows your directions. They do what you say and they do it when you want them to. Stocks? No problem. Biofuels initiatives? Great! High-performance real estate investments... done! Self-directed account custodians won't try to shoehorn you into their company's pet programs...they go with whatever you want.

Your custodian *will* advise you if a particular investment is outside government guidelines or not. After all, that's part of their job: keeping your IRA in compliance with IRS guidelines. For example, you can't buy your next home with your IRA, give yourself a better mortgage or put money into anything that would be considered "personal use." Your self-directed IRA isn't your personal spending account; it's your tax-free (or tax-deferred) wealth accumulator.

Equity Trust, Independent Custodian

One of the aspects of City Capital's system is our close working relationship with one of the country's largest and most reputable third-party custodians, the **Equity Trust Company** (<http://www.trustetc.com>).

Equity Trust provides independent custodial and administrative services for City Capital clients. **Equity Trust Company** is very efficient and knowledgeable at working with clients looking to self-direct and control their retirement planning, because they do this every day. Plus, they understand these unique self-directed investments and the kind of boost they can mean to your retirement plan.

So, Why Don't More People Self-Direct? Primarily Because of FOUR Myths:

Myth Number 1: Perceived Hassles

Most IRA clients would rather avoid what they perceive as the possible hassle and stress of running their own investing machine. Instead, they assume it's easier to just have a managing institution control their retirement investments for them. Their perceptions become their reality, and they *willingly sacrifice higher potential returns in exchange for the perceived convenience*... and they casually fork over big fees for that privilege.

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The Myth Busted:

**“Self-directed” does NOT mean you have to spend active,
hands-on time everyday running your investments.**

There are solidly-structured programs that do all the hard work for you, and pay you significantly more in the process. **Your self-directed account can be almost as hands-off as your institutionally-controlled IRA with profits happening automatically... you just earn more.** You simply tell your custodian you want them to send money to company XYZ, and that company makes your money grow. City Capital, who commissioned this report, is one company that handles investments this way for our self-directed IRA clients, often with exceptional results like this:

“The \$7,500 return on my \$75,000 note that matured on June 10, 2008 was excellent. My returns so far this year are this \$7,500 and \$2,500 you mailed on the St. Clair \$47,968.22 note. My total returns YTD are **\$10,000**, and \$7,500 of that’s in the IRA.”

— *Otis Gambrell*

In case you’re punching the keys on your calculator, *that’s over 10% return* on Mr. Gambrell’s retirement account, and around 5% on some additional cash he had invested as well. And the year is only half over at this writing... what if he does this again in the second six months of the year?

Myth Number 2: Uncertainty

Hand-in-hand with the false perception of hassles is the "worry factor." Naturally, this perception is quietly encouraged by the big institutions and their teams of professional "experts." Banks and stockbrokerages and other financial giants have carefully cultivated their image as "all-knowing" about investments. All those images of marble columns, vaults and Wall Street say, "We have all the money because we have all the answers!" Recent developments in the Big Bank investment sector have proven otherwise! Their business is telling investors what they should do, which is usually something along the lines of “give us your money and let the experts invest FOR you.” Their media campaigns have been so effective that most people simply don't trust themselves when it comes to making sound investment decisions. Sadly, the numbers bear out the success of this approach: **96% of investors find it’s easier to go along with whatever their financial institution or brokerage tells them to do, rather than make their own financial decisions.**

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Hopefully, you're not swayed by the institutional efforts to convince you that you're not smart enough or savvy enough to handle your own financial retirement future. After all, who knows best what you need and want out of your account than you? And hopefully, you understand that "self-directed" doesn't mean twisting your life around handling your investments... because nothing in your life has to change for you to make your retirement accounts perform better!

The Myth Busted:

You can conceivably multiply your returns by self-directing into higher-performance programs. Here's how:

This may sound off-the-wall, but remember our example above? Otis made about 10% in the first half of the year. Extending that rate through the end of the year, he conceivably could make up to 20%. Of course, he wasn't getting even 10% at his bank, or with his broker. So even with only six months of returns, he's already ahead of the game!

A self-directed IRA lets you direct your money to be invested and reinvested over and over, for the greatest compounded returns on investments. You can do this with several of the types of investment we described, but real estate is a great example because everyone is familiar with its concepts.

Let's compare the potential performance of an institutional, controlled IRA program versus a self-directed IRA, using real estate as an example.

To keep the math easy, we'll say you have \$100,000 in your IRA, and it's currently earning 7.5% in your brokerage account. You decide to convert your IRA to self-directed, and move it to an independent custodial company that specializes in self-directed accounts.

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You decide to direct your funds into investment properties with cash-flow as well as future profits when the properties are sold. How much profit depends on the purchase, but let's say you make a conservative 15% combined annual profit from your leases and resales. Remember, it's all *tax-free* — or in the case of a traditional IRA, *tax-deferred*.

Institutional "Controlled" IRA	Self-Directed IRA
\$100,000 passively invested	<i>\$100,000 actively invested</i>
Interest rate of 7.5% per year	Interest rate of 15% per year
\$100,000 x 7.5% x one year = \$7500	\$100,000 x 15% x one year = \$15,000

This example makes it easy to see how realistic it can be to *multiply your return on investment*, simply by making your retirement account self-directed and then placing the funds into a higher-paying investment. Is this kind of interest reasonable for your account? Absolutely.

What about markets? What about expenses? How much cash-flow? How much resale profit? Before going into any investment, there are obviously many bona fide "due diligence" points to consider. We could cover a lot of variables, but in this particular example we only wanted to show how a marginal difference — self-directing your investments — can create significantly improved results. Obviously, unlike your bank or investment house, we're not talking about 100% loans at top market prices. The prospectus on a property, just

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as with a business, should indicate positive cash-flow and significant equity position, to give you the greatest possible returns with the lowest possible risk.

Of course, you may be thinking, “I don’t want to be in the business of trying to buy and sell homes, I just want a good investment.” Isn't that what everyone wants?

What if you didn’t have to do any selling? For that matter, what if all the details of selling – *and buying* — properties were done *for* you? And wouldn't it be nice if you didn’t have to wait around for it to be fixed up or sold or anything to make your money... but got regular quarterly payments regardless? Good so far?

You might worry about whether a property would sell. Well, what if you knew that a *waiting list* of pre-qualified buyers existed — hundreds of them, all eager to buy these specific properties? And to make selling them even easier, city governments as well as non-profits have put money into the deal, to make sure a working-class family could qualify to buy your homes. Even now, as most real estate markets continue to struggle, there is a 15-year backlog of demand for homes in this market segment. Even as mortgage rules are being tightened, the government has loosened the requirements for some segments, like first-time homeowners. In fact, the government just added *another* \$7500 interest-free loan for first-timers... problem isn't finding buyers, just most properties are so far outside the affordable range that average working-class families can't afford them.

The fact is, because of the huge number of buyers on this list, and the price range of these properties, it’s always a “sellers’ market.”

These are the kinds of details that can help to make an informed decisions, and they help us to improve returns on your investments even more. Multiplied returns? Sometimes. Sometimes even more than that.

Let's look at another investment scenario. What about buying a business?

Small business are the lifeblood of almost every community. You probably deal with several of them yourself every week. You may never have considered being an "entrepreneur" and running a business yourself, but what about *owning* one inside your IRA? Businesses come up for sale every day. Often, the business owner has a major life change (illness, divorce, transfer, retirement, etc.) that results in their business being put up for sale. It could be a dry cleaners, maid service, small engine repair shop, convenience store, dollar store, restaurant, consignment shop... you name it, and some owner is currently needing to sell it!

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Recently City Capital purchased a thriving pizzeria in one client's IRA. It cost \$85,000 and grosses \$234,000 a year. After taxes, overhead and cost of sales, their IRA stands to net \$52,000 each year. Just look at these numbers:

Institutionally-Controlled IRA	Self-Directed IRA
\$85,000 passively invested	\$85,000 actively invested: Pizzeria
x 7.5% x one year = \$6,375	\$52,000 net profit from business \$52,000/\$85,000 = .61
Return on Investment: 7.5% per year	Return on Investment: 61% per year

Not too shabby... and that's just one small business! Who runs it? City Capital oversees all the management of the investment, and brings in expert onsite management for the business. We handle all the marketing and hiring and lease issues... everything. As you can see, multiplying the return on investment can mean much, much more!

Myth Number 3: Lack of Security

Even seeing common-sense examples like the ones we've shown, some people still have a hard time accepting that other people are getting higher returns while they aren't. Arguably, we could lump this under

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"Uncertainty," but it really goes deeper. Most people have a vague sense that big, solid financial institutions are somehow more secure when it comes to our investments. No matter how many times we've seen big companies fall, through poor management, corruption or lack of concern over their investors and shareholders, this false sense of security is persistent. What does it take to change this false perception?

In 2007 we saw 150 mortgage lenders, including major mortgage giants like CountryWide fail. As this report is being written, major market companies have fallen into bankruptcy or government takeover not to mention Fannie Mae, Freddie Mac and 10 private banks with assets totally some \$40 billion, including giant IndyMac. We've seen Bear Stearns, Lehman Brothers, Goldman Sachs, Merrill Lynch and others struggle in the financial markets as well. The list of major players in trouble, in bankruptcy or merging to stay afloat boggles the mind. All this increases our sense of uncertainty, but more than that, it raises serious doubts over the security of all investments and the entire corporate ethics of the last 150 years or so, which can be loosely summed up as "Get all you can, and can all you get!"

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The Myth Busted:

The Big Banks and Brokerages Have Known All Along *Your Money Isn't As Secure As Their Glossy Marketing Implies!*

While their marketing messages continue to show the massive marble columns and men in suits, glossy corporate reports and key phrases like, "bullish," and "one investor at a time," and "highly-trained representatives," and "all your investment needs," the fine print it tells a different story. Here's a disclaimer we received in an email just today from a major national player, Bank of America. **(NOTE: Bank of America is not affiliated with City Capital in any way)** It's reprinted below just as it was written in the email; pay special attention to the spacing:

Disclosure:

Premier Banking & Investments(tm) is offered through Bank of America Premier Banking® and Banc of America Investment Services, Inc.® Banking products are offered through Bank of America, N.A., an FDIC member. Investment products are offered through Banc of America Investment Services, Inc. ® and: are not FDIC insured, may lose value are not bank guaranteed. Banc of America Investment Services, Inc. is a registered broker-dealer, member NASD and SIPC, and a nonbank subsidiary of Bank of America, N.A.

(Again, Bank of America is not affiliated with City Capital in any way)

This is pretty darn clear, isn't it? It's exactly what all the Big Banks and broker houses should be telling you, all the time. And to be sure, they do, but often only in the fine print (at least Bank of America put it right out front, in their corporate email). We tell you also, in fact, certain disclaimers are determined by law, the SEC and the courts. Just check out ours at the end for ALL the legalese! The difference is, City Capital doesn't pretend to be some massive marble-facade investment house dealing in trillions of dollars. Not in our marketing, not in our images, not anywhere. We are a public company (CTCC) and we go where most Big Banks and investment houses rarely go: into communities and cities to fund socially-conscious programs.

Regarding security, although your bank IRA *may* be covered up to \$100,000, the account will probably do no more than break even against inflation, if not lose money every year. That's the price of security.

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Most important, as the Bank of America email disclaimer clearly tells you, the federal government does NOT cover your money placed in stocks, bonds, mutual funds, life insurance, annuities, even if they were purchased from an FDIC-insured bank. FDIC also doesn't insure investment items backed by the U.S. government such as U.S. Treasury bills, bonds or notes, or items kept in a safekeeping box, or uninsured bank deposits. So for most of your investments, you carry risk. Evaluating that risk, and the investment security behind it, is extremely important. It doesn't matter if the company has hundreds of offices and hundreds of thousands of employees scattered all over the world... the moral and ethical compass of that company will determine how dedicated they are to you and your account, and your security.

In Our Program, With Equity Trust As Custodian, Your Money IS Insured

First of all, Equity Trust deposits all uninvested cash in FDIC insured accounts at United Western Bank (NASDAQ:UWBK). That means whenever there's money not being invested in a program, even for a short period of time, it is in a fully-insured account.

Second, up to \$250,000 of all self-directed IRA deposits owned by the same person are insured by the FDIC. Seems like they understand that self-directed accounts usually make a LOT more money than average money-market or CD-based accounts!

Security is a personal issue. If you can multiply your return on investment, you can very quickly improve the picture for your financial security during retirement. However, if having a Big Bank hold your money makes you feel warmer about the security of your money today, you can choose to give up much of your security in the future through lower returns. You can play to win, or play not to lose. Or, to put it another way,

**If you always do what you've always done,
You'll always get what you've always got.**

"I decided a long time ago to never settle for just keeping a roof over our heads. Meeting Ephren Taylor and becoming a client of his through City Capital gave me the ideal way to make that happen. With his talent for generating wealth, we are well on our way to becoming debt free. That's the kind of freedom that lets you do so many more of the fun things in life." — *Anthony and Tishna Hall*

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Myth Number 4: Higher Risk

This is often a hidden fear among investors, and it's fed by financial managers who've been trained to tell their clients that traditional investments with steady single-digit returns are the "safest" ones to go with in the long term. Why? Because that sets them up for low returns, of course — like they usually get with blanket institutional programs.

The Myth Busted:

As one asset manager once joked at a broker convention:

"If your expectations are low enough, you'll never be disappointed!"

Conventional (Big Bank and Big Brokerage) wisdom says that with high interest returns comes high risk. Using this logic, almost ANY investment has to be considered "high risk" compared to what your bank pays! However, it's all relative. We don't recommend that anybody invest solely on the basis of a phone call, webinar, radio ad or brochure... or whatever their financial advisor, brother-in-law, parent, pastor or even City Capital representatives tell them! The important thing is, perform your own due diligence and learn everything about any investment program and the ethics and vision of the company behind it.

Even though national media has referred to City Capital as a "market maker," is maintaining high corporate standards easy? No! But "easy" goes after home run deals... and a lot of "easy money" investors have learned hard that striking out is part of that approach. We prefer creating significant returns, and doing it steadily month after month, quarter after quarter, whether the "economy" is up, down or sideways. We will use your money to help one, ten, twenty, a hundred or more families live the American Dream and enjoy new economic opportunities... and gladly pay you for the privilege of partnering with you to make it a reality.

Expertise Is Yours For The Asking

Self-directing your retirement does NOT leave you adrift on the ocean of investment possibilities, totally dependent on yourself for knowing all the answers. Not by a long shot! You can self-direct your financial future and still benefit from all kinds of solidly-structured programs and investments. You do none of the work but make greater profits than you ever made before. Self-directing your accounts is what frees you up to beat the returns your bank or broker offers. Don't expect your bank or broker house to suddenly multiply your interest rate... even if you tell them you're thinking about going self-directed!

3 Simple Steps To Multiply Your Retirement Income Tax Free Using Federally-Approved Programs

Who will control YOUR financial destiny?

That's the really hard question we all have to ask. Frankly, this level of self-control scares some people. They feel, however mistakenly, that big institutions will look after their money and their best financial interests. They continue to passively — stubbornly — invest with Big Banks and Brokerages for a pittance of what they should — and could — be earning. Too late they find their trusted bank or broker house was much more interested in their own bottom line, rather than that of their clients. When retirement finally arrives, the IRA holders enjoy only a fraction of their "golden years," as inflation and expenses eat up more and more of their nest egg. Making that nest egg as big as possible should be a primary focus of each and every investor.

Self-Directed retirement accounts allow you to control your financial destiny, not marble-columned financial giant whose own bottom-line is their primary interest. Your self-directed custodian or trustee has no hidden agenda for your money. They will answer your questions, but they do not give investment advice, and they do not have their own programs to sell to you! YOU are in control of your financial destiny and all the decisions related to your investments with your IRA; they just follow your orders.

The next step is one that some people may think unimportant, after all, money is money, right? But at City Capital, every investment means more than just the dollars and cents on the balance sheet. This next section is about what drives us. It's worth paying higher-than-average returns to our client-investors, because they are what make it all possible. The community-empowering initiatives we invest in are too important to too many families around the country to do it any other way.

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Step Two To Multiply Your Retirement Income Tax-Free:

Invest In Programs With High Returns On Investment That Are Also Socially-Conscious

High returns on investments? That seems like a no brainer, doesn't it? Yet, as we pointed out in the previous section, the vast majority of investors never self-direct their accounts so that they can take advantage of programs with exceptional returns.

But why the "socially-conscious" part? What does that have to do with doubling your ROI? Arguably, nothing. But City Capital believes that investing in socially-conscious programs is not only a good idea, it's the right idea — always.

There are so many things we can invest in these days. We've already mentioned real estate and small businesses. Of course there's also stocks, bonds, notes, commodities, and on and on. However, more and more smart investors are insisting that their money be invested where it can be used to improve people's lives – while their money is growing at the same time.

Bridging The Gap Between For-Profits And Non-Profits

Non-profit agencies are worthy and worthwhile. The trouble is, because they can't make a profit, their fundraising never ends. It's sort of a revolving door affair: you invest a certain amount of your money in a charity, they spend the money doing their work, then they have to come back to you again and again, year in, year out, and ask for more money to keep their work going.

Fortunately, Americans are very giving people. We regularly donate billions to charities, "investing" in religious organizations, environmental causes, or to alleviate human suffering. When we give money to a good cause, our "returns" are emotional and spiritual. There's no direct financial "return" on this kind of investment, only the satisfaction of benefitting your fellow man or the planet, of doing the right thing. That doesn't somehow make our intentions "purer" than expecting a return on our investments, though! In fact, there's nothing wrong with expecting both.

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There's nothing wrong or improper about charitable organizations operating like this. Their hands are essentially tied, and they're required by the government to be "non-profit." Surely some of these agencies wish they could make a profit, or use their income from donations to earn profits that would enable them to expand their programs. Some people even feel that if non-profits were forced to live by the balance sheet like regular companies, they'd be more efficiently run...more "businesslike." But some people assume that being giving and caring and earning a profit are somehow mutually-exclusive.

There is simply nothing wrong with making a profit — whether for a company or for an individual. If your investments don't make a profit, you're losing money. If your investments don't make a profit, you have less for yourself and your family, less for retirement, and yes, less to donate to charitable work. Having a "profit motive" doesn't mean you don't have a charitable or socially-conscious motive. Earning money, after all, is what makes it all possible.

A New Approach: Making Your Money Do "Double-Duty"

A rapidly growing segment of the population is making personal decisions to require that the for-profit companies they invest in meet certain socially-responsible criteria. For example, they may exclude any company investing in foreign oil interests, or tobacco companies; or they may look only for companies involved in environmentally beneficial products. Today, there are entire investment funds that consist of only *socially-conscious companies*.

For this type of investor, the ideal company is one that has a social conscience, is making an important contribution to the betterment of mankind, and will give you provides great returns on your investment. And wouldn't it be terrific if such a company delivered *twice as much* as what you have been getting? Surprisingly, there is such a company.

How Is a Socially-Conscious Company Like a Non-Profit And How Are They Different?

When it comes to creating community initiatives and encouraging investments, local governments can offer incentives, but they really aren't that equipped to do the work themselves or "create jobs." Likewise, economic development groups (EDGs), community development corporations (CDCs), local churches and other non-profits have the vision, but they don't have the funds available, and often don't know where to find them.

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When larger, national non-profits come into play, the most they can do is whatever their fixed donations allow. For example, a national organization may manage to build or renovate a handful of homes within a community each year... hardly enough to create major change and turn the tide, to create a real *renaissance*. After they've spent their allotted funds for the year, they have to start their fundraising campaigns over again.

Finally, when it comes to most for-profit corporations, they're just not interested, or are focused on chasing the big bucks somewhere else. In businesses, they are looking for the high-dollar and high-traffic locations, leaving millions of people in the market completely out of consideration... and often miles away from their locations. In real estate we all saw where the Big Banks and Big Developers went: to build McMansion communities way out of reach of working-class families. Today, thousands of these developers are gone, millions of properties are empty, and millions of families still need an affordable home.

**It takes a "hybrid" kind of company —
one that brings the vision of a non-profit with the money to follow through.**

**It takes a socially-conscious company with private capital that can reinvest profits over and over
in home after home, business after business, city after city.**

Only a *for-profit company* can accomplish this vision, by investing and reinvesting the same dollars over and over again, instead of taking donations, spending the resources and having to raise new funds each year. Such a company, unlike private real estate investors, would be willing to take very modest gains on individual homes (to keep them affordable for working families), yet still give maximum returns to their investors through vision, focus and repetition. City Capital is such a company.

**City Capital makes it possible for individuals to invest in
socially-conscious programs,
using proven, structured programs within their IRA...**

With a better return on investment than the investor has ever received.

When you invest in a company that provides this kind of return yet is also socially-conscious, your money really is doing "*double-duty*." Your investment dollars are being used to improve the world and quality of life, plus you are able to get significantly better returns on your account.

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**City Capital's programs help to empower communities financially
through job creation, alternative energy projects,
and other community renaissance initiatives that benefit us all.**

We've already outlined two of our community renaissance initiatives: one program focuses on working with cities and non-profits to provide affordable homes for working-class families; the other is engaged in acquisition and management of small businesses that form the financial backbone of any viable community.

Our Goshen Division focuses primarily on developing biodiesel and other alternative fuels created from plant matter and waste oil. This division partners primarily with small colleges, funding their programs and allowing their students to earn credits through real-life cutting-edge engineering training. Goshen has also been involved in natural gas and oil reclamation projects with select clients, where marginal wells are revitalized, creating an ongoing cash-flow. By reclaiming wasted natural energy reserves that Big Oil has bypassed or left behind, we better utilize our country's resources to help "bridge" us to a day when we may realize energy independence.

Let's look at these programs in a little more detail, and see how these sometimes small investments can lead to far greater results when they're done in a socially-conscious way.

The Case For a “Hybrid” Company: Four Examples



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1) Affordable Homes For Working-Class Families

Imagine a single mom, having to commute an hour or more, just to get to her job as a stenographer. That's 2-3 hours a day she can't be with her kids. That's additional bus or train fare, or \$4.00 a gallon gas and expensive parking garage fees. Plus, in many cases she's paying more for rent in some suburban apartment complex, than it would cost her for a mortgage in a completely-reconditioned home minutes away from her work... in an up-and-coming community experiencing a renaissance. What does she want? A home she can live in with dignity, a safe haven for her children, convenience to work and shopping, nearby parks, recreation facilities, schools... the kind of things we all want for our families.

While there is a glut on the market of new or foreclosed homes in the overpriced suburban communities, there never seems to be enough solidly-built, like-new older homes in established neighborhoods for people like our single mom. The ones that do become available are highly sought-after when they're in good condition. *This is a high-demand market that is simply not being filled... and this market pressure means tremendous opportunity.*

Once funds from your self-directed IRA help to purchase and makeover a home, your IRA receives quarterly reports and cash-flow. When it's sold, proceeds from the sale yield more returns in your IRA account, and allow City Capital to engage in some of our other programs within communities. Here are some examples to illustrate what this can mean:

House 1

Purchase & Renovation: \$60,000

Appraisal: \$85,000

Net Income to Client (from resale): \$10,800

Net ROI into IRA: 12.7% + Cash Flow \$180/month (after all management expenses)

Timeline: 6 months

House 2

Purchase and Renovation: \$43,000

Appraisal: \$78,000

Net Income to Client (from resale): \$15,000

Net ROI into IRA: 34.9% + Cash Flow \$200/month (after all management expenses)

Timeline: 3 Months

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Client-Investors make all of these programs possible, and receive the lions share of profits. Homes are kept affordable, and City Capital invests up to 40% of our profits back into the community. This money may be used for first-time homeowner and financial management training classes for years down the road.

Creating Community Renaissance on “Main Street U.S.A.”

Because we’re talking about older neighborhoods, they’re closer to the central city. They have easy access to business centers, corporate headquarters and nightlife. Compared to the suburbs, commuting is many times easier as is access to public transportation. But in



Actual street scene from one current neighborhood undergoing “Community Renaissance”

cities across the country, many of these “Main Street America” communities have been in decline over the last twenty or thirty years. It takes more than individual real estate investors and more than well-meaning community groups or government officials to create the kind of renaissance we're describing.

As a socially-conscious company, part of City Capital’s vision is to raise the quality of life in these older, established communities.

Our Community Renaissance Initiatives do more than provide affordable homes for hard-working families. We also help prospective homeowners secure downpayment assistance grants, home-purchase vouchers, and other income-related opportunities designed to help families own an affordable home of their own. All the activity generated by our company results in a significant investment in the community in the form of salaries and purchases, vocational programs for at-risk youth and more. It’s fair to say that many lives are changed in the

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process — and the process continues in communities all over the USA. The clients involved in these programs are able to see a return on their investment... making this a win-win-win proposition for everyone involved.

“We feel as though we have been searching for City Capital our whole adult investing life. We are VERY satisfied with the relationship and we are continuing invest with them. Our investments are generating more now than ever before.”

— *Michael and Ella Charles*

Financial Advisor and VP of Banking Center for national bank

To tap into this market requires a for-profit company with a socially-conscious agenda.



2) Small Businesses

There are many locally-owned businesses are located within these older communities which have been run profitably for years, such as in the case of our Pizza Parlor example earlier. However, divorce, illness, or death may leave a spouse unable to continue the business alone. In others, the owners have gotten older and their children may not have an interest in running the family store or restaurant.

As mentioned earlier, there may be key businesses that aren't represented at all, or are miles away. The community may need and support a dry cleaners, dollar store, laundromat, convenience store or other familiar

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storefront businesses. While these are all viable and profitable, sometimes finding a specific local businessperson interested in a particular type of business in a specific local market just isn't realistic.

We've all seen neighborhoods go from decline to alive, and the primary factors required are *vision and money*. Rarely does a single organization come in with an overriding vision of change for the community itself, *plus* the manpower *and* the financial commitments... and that is what it takes to create new markets and increase values.

City Capital identifies new or existing businesses within a community, puts in place the right management team and "freshens up" the entire operation from top to bottom. New marketing is created to expand the reach and help identify their "unique selling proposition" within the community as well as for those who may drive through on a daily basis. When we put a business into a client's IRA, it is a cash-flowing and growing enterprise. We've already shown one example, here are a couple more:

Small Home Healthcare Firm

Asking Price: \$137,970

Gross Annual Revenue: \$65,913

Net Profit (Annual) to Client: \$45,990

Net ROI into IRA: 33% per year

Sandwich Shop

Purchase Price: \$79,000

Gross Annual Revenue: \$240,000

Net Profit (Annual) to Client: \$30,000

Net ROI into IRA: 38% per year

Dry Cleaning Business (New)

Investment: \$190,000

Gross Annual Revenue: \$242,000

Net Profit (Annual) to Client: \$140,000 A Year

Net ROI into IRA: 73%

Small businesses form the heart of any community. They provide services, products, recreation and jobs. In every case, in every city, there are hundreds of available, profitable businesses and opportunities for hundreds more... all filling the needs of the community. Client-investors enjoy all the benefits of business ownership with none of the hassles, including the substantial cash-flow into their retirement account.

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To tap into this market requires a for-profit company with a socially-conscious agenda.



3) Alternative Fuels Partnerships

The United States accounts for 6% of the global population and consumes 25% of the world's energy sources. China accounts for 25% of the global population and 15% of the energy consumption, closely followed by India. Both are rapidly developing, high-energy consuming countries. The countries of the world will soon surpass 100% energy demand on finite, non-renewable energy resources.

America's position in the global marketplace is shifting and it is imperative that we relieve dependency on foreign oil as well as address the depleting geo availability of crude oil.

Alternative fuels aren't just a good idea, they are becoming more and more a requirement to continue our modern lifestyles. As a company and as investors we look for direct, specific alternatives, and with the steep increases in the cost of crude oil to \$100 a barrel or more, demand for alternative energy sources is rapidly growing in the marketplace as well. Some may look at this as a crisis. City Capital saw a socially-conscious opportunity and entered into an agreement with Verde Bio Fuels to distribute a guaranteed 10,000,000 gallons per year.

Biodiesel fuels— or alkyl esters — are a clean-burning alternative fuel produced from domestic, renewable resources. Already the most common alternative fuel in Europe, biodiesel is made through a chemical process called *transesterification*. Goshen processes B100 biodiesel; meaning our finished

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product is pure grade, or not yet blended with petroleum based diesel. It can be used in standard diesel engines with little or no modifications. Diesel operating systems account for the bulk of federal, state and local government engine operations as well as in private and commercial industries.

According to a study by the National Biodiesel Board, the foremost authority in this area, the biodiesel industry will add \$24 Billion to the US economy between 2005 and 2015 and reach an annual production of 650 million gallons. Based on the study, biodiesel production will create over 39,000 jobs in all sectors of the economy. The benefits of this product will spread across industries and cultures because biodiesel provides:

- ✓ A cleaner burning fuel that drastically decreases emissions (the EPA estimates that biodiesel produces 78.5% less carbon dioxide than petroleum diesel) providing for cleaner air.
- ✓ Increased labor opportunities
- ✓ Pricing very close to that of petroleum diesel, often less
- ✓ A growth market with continued utilization, especially for B100, which is likely to experience an increase in demand as the commercial and environmental benefits become more apparent

Obviously, alternative fuels such as biodiesel fills the bill as a socially-conscious investment. But City Capital has extended the reach of this program even further, to benefit local private colleges around the country.

The Private College Connection

One of the cornerstones of the life and identity of many communities, especially older, established ones like we described earlier, is a small, local private college. There are approximately 1600 private, non-profit colleges and higher learning institutions nationwide. There are 107 historically black colleges and universities alone!

With very few exceptions, each of these institutions have a common problem: not enough money!

Small, private colleges don't attract the high-net-worth alumni and donors. Most don't have a strong athletic program with competitive sports, like football and basketball, that attract high-dollar boosters. They are dependent upon tuitions, some government monies and grants, and corporate support. City Capital, in joint ventures with a private colleges, installs a small biodiesel reactor on their campus. This facility provides a potential income stream for the college itself. We also save the college money by providing an inexpensive

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renewable fuel source for their campus vehicles, and c creating accredited learning opportunities for future engineers. Everyone wins.

For the investor, cash-flow comes from every gallon of biodiesel produced from the first month of operation. Like all of our investment programs, the investor does nothing. City Capital handles everything. And clients are able to acquire multiple refiners within their retirement accounts, each pumping high returns on their investment month after month.

Other Partnership Connections

While colleges are a major partnership component, they are by no means the only joint ventures we consider. We have signed deals with small communities, churches and other non-profits, Native American organizations, a major trucking and transportation company and more. Our objective is to create win-win-win programs that change lives and create wealth for our clients.

To tap into this market requires a for-profit company with a socially-conscious agenda.



4) Natural Gas & Oil Interests

City Capital and Goshen recognize it will take many years for America to become truly energy independent, relying on renewable resources rather than foreign oil interests. Until that time, petroleum will be required. There are many opportunities to acquire and renovate under-valued or marginal wells with proven reserves, making them operational and profitable again using current technology.

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Since the earliest days of "wildcatting," an estimated 450,000 wells have been capped or abandoned in the U.S., including 25,108 previously-producing and expired permits available in Louisiana alone, *excluding* known dry wells (LA Dept. of Natural Resources). These wells have often been capped while still producing, often because of past falling oil prices. Others were shut down due to storm damage, equipment failure, lack of hands-on experience or general business and financial issues which forced the owners to forfeit the well to the state. In today's petroleum market, many of these previously-producing wells are not only viable, they can provide a highly profitable, relatively low-investment opportunity to capitalize on the growing energy markets, provided there is a systematic means to cull out only those wells with the highest profit potential.

The question most often asked is, "If these are good wells, why are they capped? Why isn't someone pumping out the oil or natural gas?" Simply put, until recently it hasn't been worth the effort! The oil embargos of the 1970's caused oil to rise from \$14 a barrel to over \$35 a barrel. Adjusted for inflation, this was equivalent to over \$96 a barrel. It wasn't until recently it surged this high again.

Oil dropped from \$10 a barrel to \$8 a barrel in the 1980's, and by 1986 the bottom fell out completely. Interest rates in double digits, dramatically increasing costs for equipment and loans, and thousands of operators closed shop, abandoning wells completely. They simply could not afford to remain in business. The first Gulf War added some life, but costs to enter the market had continued to rise as well. The number of oil operators has actually declined from over 16,000 in 1990 to about 7,800 today. The lowest count of active rigs count in history was 488 on April 23, 1999, when oil fell to around \$10 a barrel again. It's hard to remember that it was that recently that we were enjoying relatively cheap oil, even from international sources like OPEC!

The result is, even today, hundreds of thousands of wells remain, the vast majority closed when costs to produce their oil exceeded their potential revenues.

All that has changed dramatically

Now, newer technologies like enhanced extraction processes and automated satellite monitoring allow even older, marginal wells to be profitable again. With interest rates at near-record lows, even the cost of equipping wells and keeping them running has decreased, compared to the 1980's.

A major Big Oil company might not consider a few hundred or a thousand barrels of oil a month worth their time, but for an average investor, earning thousands of dollars each month from an automated well doesn't sound so bad!

By better utilizing existing reserves, we reduce waste from previous years of drilling. We help to reduce the need for environmentally-dangerous offshore drilling and other sensitive areas. And, we provide a bridge to the future, when we won't be dependent on fossil fuels. For our investor, the returns are significant. Just as with biodiesel, you get paid on every barrel from the very first drop.

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To tap into this market requires a for-profit company with a socially-conscious agenda.

It should be obvious by now that engaging in socially-conscious investing makes good, solid business sense. Are these four examples the ONLY ones City Capital pursues? Absolutely not! There are others, and we are constantly looking for other ways to extend our socially-conscious programs into other areas, other investments, and new partnerships.

City Capital is proving that a for-profit, public corporation can go in, bring in the investing power of hundreds, even thousands of investors, and create positive programs that to empower communities financially through job creation, alternative energy projects, and other community renaissance initiatives that benefit us all.

City Capital makes a fair profit for our investor-partners, and reinvests those profits again and again, in more socially-beneficial — and profitable — initiatives all across the country.

The painstaking steps we go through to make sure every component of this program is in place and operating strictly according to our vision minimizes risks while providing double-digit returns for our investors. Maybe one day every company will work like this!

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Step Three To Multiply Your Retirement Income Tax-Free:

Assign Your IRA Funds To The Third Party Custodian and Direct Them To City Capital

In Step Two we made the case for focusing on socially-conscious investments, to get higher returns and make your money do “double-duty.” We showed how some of City Capital’s programs are accomplishing this, while providing double-digit returns to investors is a well-thought-out, professionally-managed system.

Back in Step One we discussed how, in order to be free to select investments that offer these enhanced returns (instead of the paltry single-digit interest rates banks and other sources offer), you must first make your retirement accounts *self-directed*. To do this, you must first appoint a licensed third-party custodian that specializes in self-directed IRA accounts. At City Capital, we have worked with several, and have found **Equity Trust** to be the most attentive to our clients' needs,

As with any other funds management company, there are fees for their services. Depending on your account and on the amount you are investing, these fees can be from a few hundred to nearly a thousand dollars. You can choose from any of several excellent national companies to be the trustee of your account. However, when you appoint **Equity Trust** as your custodian and direct them to invest in City Capital's Community Renaissance Initiatives like the ones we've been describing,

All Your Fees Are Pre-Paid By City Capital

This allows you to make the transition to self-direct your financial investments, with zero setup fees or other management fees associated with creating your account, regardless of the amount.

Marginal Shifts Create Quantum Growth

Here's an easy question: Would you rather go from \$100,000 to \$200,000 in 10 years, or have \$400,000 in the same period of time? It's probably safe to say the answer is obvious: having the money grow faster is better! It's easy to see how a simple change like self-directing your retirement account into a high-yielding investment strategy like City Capital's *Multiply Your ROI* program can create significant returns, completely hassle-free. Consider the question on the next page...

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Question: Just How Long Would It Take To DOUBLE Your Money?

**Answer: When You Multiply Your ROI x 2,
You Cut In HALF The Time It Takes To
Double Your Retirement Money!**

One of the benchmarks used by money managers is called the “*Rule of 72.*” This is the calculation they use to figure out how it takes to Double their money. Not surprisingly, most investors have never heard of it or used it... it might give you different ideas about investing than your controlling institution wants you to be thinking.

The Rule of 72 is no great mystery; it’s really simple math: all you have to do to find the number of years it’ll take to double *your* money at any interest rate is divide the interest rate into 72. For example, 6 goes into 72 twelve times, so if you’re earning 6%, it’ll take 12 years to have twice as much money as you started with. Not bad if you’re 25, and have 40 years to build your retirement up. What about our earlier “easy math” example a \$100,000 account earning 7.5%? The calculator shows $72 \div 7.5 = 9.6$ years. Getting better, but if you’re 55 you might want a little faster rate of return! Here’s what doubling your interest rate can do for the growth of your money:

Classification	Principle	%	1st Year ROI	Time to Double Money	Amount At Age 65
Traditional IRA	\$100,000	7.5%	\$7,500	10 years	\$200,000
Self-Directed IRA	\$100,000	15%	\$15,000	5 years	\$400,000

The math in this example is about as clear as it can get: it will take you longer, and in the end you will have less money, if you keep your funds in a passive, traditional account. Your money has the opportunity to grow faster, and you can end up with more, when you self-direct your own account. And City Capital's programs give you more options to multiply what you're earning now at your bank or brokerage house.

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Why are we so sure of this? Because we have produced results with clients around the country, involved in socially-conscious initiatives covering all of the examples we've given here, and more. We'll let one of our investor-partners tell you their experience.

"I chanced upon the investment plan offered by City Capital and it was a godsend. This plan will help me eliminate over \$30,000 in consumer debt this year to free up over \$500 in monthly income. My retirement is now assured and I'll have free time for my ministry work. In addition, the extra income will allow my wife and I to pursue our dream of building a business. I'm so grateful."

—*Michael Davis*



If making your money do “double-duty” is important to you – ***multiplying your current ROI*** at the same time your funds are making life-changing initiatives possible – you can begin by completing the short pre-application at the end of this report. Email or fax it in, along with the most recent statements from your investment accounts, and we'll complete a quick **Personal Portfolio Review** to qualify you for the ***Multiply Your ROI*** program.

**You Can Also Give Us A Call Today, Toll-Free, 1-888-909-REIA (7342) or go to
www.DoubleYourROI.com**

It's really a simple process. It's all arms-length yet you retain complete control.

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When you are accepted, City Capital pays any set up fees, transfer fees or management fees associated with your self-directed retirement account Equity Trust. If you already have a self-directed account, you can begin doubling your interest immediately, by simply notifying them once you are approved for the City Capital program.

Once your account has funded, meaning your current retirement account holder has released your rollover funds to the new custodial trustee, you begin receiving *at least* twice your current rate of return the day you assign your funds to the City Capital program.

Isn't it time you start multiplying your return on investment?

Obviously, anyone tired of mediocre market returns (and these days some are getting *negative* returns from big banks and brokers) the answer is yes. Every day you delay costs you money and affects your retirement lifestyle. However there are some requirements to participate.

At the time of this report, the minimum investment threshold is \$50,000. This can be in IRA funds, 401(k) rollover retirement accounts, and even cash deposits. The threshold is set because of the price range of the investments, and to multiply your profit potential.

Since every investment is unique, some may only be available for higher threshold clients. For example, if a business costs \$85,000 (as in our example above), it would take at least that much in your account for it to be considered as an investment option. We do not split up investments; we are not a Real Estate Investment Trust (REIT) or any other kind of "co-op" investment firm. Your retirement account has complete ownership over everything in it, whether houses, gas wells, businesses, you name it. Quite often, these higher-level opportunities carry additional risks as well as greater returns. But you get all the data upfront in any case.

401(k) Accounts Work, Too.

The 401(k) account was first created in 1978 and today more than 40 million Americans have a 401(k) retirement plan through their employer or business. In 1998, Roth 401(k) accounts were approved for 401(k) accounts as well. Unfortunately, as long as you are employed by the company providing your retirement program, most investors with a 401(k) are locked into a handful of "choices" in which to invest. However, once you leave a company, your 401(k) goes with you, and must be "rolled over" within a set period of time into a new account — either a 401(k) with another employer or company or some other approved plan, such as an IRA. It is at this point that you can really begin seeing the kind of exceptional growth we've been describing.

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Many of our Client-Investors have been downsized or left their previous employer with a 401(k) they need to roll over. If this sounds like you, you can begin utilizing these funds along with your existing IRA funds, using the same self-directed investment strategies shown above. This way, all of your investment funds can work together earning at least twice what they were before, and all tax-deferred (or, in the case of a Roth, future taxes exempt).

Cash investments

In addition to working with 401(k) rollovers and Self-Directed IRAs, City Capital manages cash investments for many of our clients. Of course, profits on cash investments are subject to federal income tax or capital gains, but to put this into perspective — *the only way to avoid taxation entirely is to not earn any money with your liquid cash!* It's much better to make a lot of money and pay the taxes than earning just a little bit of money in low-return accounts to avoid paying taxes! You only pay taxes when you *make money!* That's a golden problem if there ever was one! So if you have cash or assets sitting around, even if they're not in a tax-deferred or tax-exempt retirement account, put them to work for you!

NOTE: The same threshold requirements apply for all accounts, including retirement (IRA, SEP, 401k, etc.), cash or any combination.

**Other than the financial considerations,
one of our primary requirements is that all of our
investor-partners share our
vision for socially-conscious investing.**

That's what this is all about. It's about more than making money for money's sake. We want to make money by doing positive things for our communities and our country. By creating a hybrid kind of company we can do work that's often associated with non-profits, but we do it without our putting our hands out for donations.

Obviously, that doesn't mean exceptionally high returns aren't an important part of the whole picture. In fact, we can only accomplish these objectives by providing private, socially-concerned investors like you with healthy profits as part of the whole picture. If your focus is just about the money, we understand. But what we really want are investor-partners who have a higher vision.

Even with spectacular ROIs, at the end of the day we want to improve the lives of people in every community we target, and we really prefer working with people who share that vision.

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Just how well does all this work for investors? Another of our clients put it best:

“We don’t want to be tied down to our investments or anything else. We could not enjoy the lifestyle we we were stuck overseeing property and spending hours each week managing investments.”

-- Dan and Sandy Dollarhide, retired

You do nothing, we do *everything*. And you get the profits.

- **City Capital establishes** the relationships with local governments and community leaders, giving you advantages an average investor can never enjoy.
- **City Capital secures** tax abatements, block grants, federal monies and other incentives that help ensure successful programs.
- **City Capital acquires** the investments and oversees renovations and upgrades, management, and everything else required.
- **City Capital identifies** like-minded business partners like lenders, brokers, attorneys, distribution companies, and property management companies, to streamline the entire deal-flow and make possible our end-to-end strategies.

With City Capital's programs, you'll never have to worry about many of the things most private investors hassle with. ***You do nothing***, except watch the effect of all this on growing your retirement account at an accelerated rate. Whether your account is tax-free, tax-deferred, or all cash, it's just as exciting to watch as your returns on investment are applied on top of your principal amount, month after month, year after year.

“Does it really work... in today’s market? Will it work for ME?”

This is a common question we get in today’s downturn economy. And at least for City Capital's clients, it has increased the opportunities for higher returns.

- The more foreclosures that take place, the more failed “McMansion” developments that hit the news, the more families there are looking for downsized, affordable homes.

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- The tighter traditional money markets get, the stronger position we are to negotiate for business purchases, distribution contracts, and producing assets ranging from commercial real estate to natural energy properties.
- The more environmental concerns grow, and the higher gas and energy costs rise, the more profitable our clients' oil, gas and alternative fuel investments will be.

In almost every area, City Capital is uniquely positioned to provide the kinds of returns on investments we've discussed, and the need for a strong national vision of socially-conscious investing has never been stronger.

Sometimes “Does it really work?” really means *“Is this for real?”* The best answer we’ve found comes from a community leader in one of the cities where we’ve created a strong relationship and city partners, to make this program a reality.

“We verified the expertise of his extensive support team, and concluded they were capable and had produced measurable results. If I were to choose one word to describe Ephren Taylor and City Capital, it would be integrity. They do what they say, when they say they will.”

—Lois Ali, Executive Director, Consortium for Economic and Community Development, Cleveland, Ohio

The real question may be, **“Will this work for YOU?”** You’ve read how our programs work, and heard from several current client-investors. By now you should have a good feeling for how well this can work for you. Perhaps a better question would be, “Is this the right approach for you?” Is having your money in a Big Bank or Big Brokerage important for a sense of security, regardless of the return? If so, this may not be the program for you. Does it match your investment needs and goals, for your interests and vision, for the return on investment you want, for the amount of involvement you want to have in your investments? Then we probably should discuss it further.

**As with any other investment, only a Quick Personal Portfolio Review
can determine if you can participate.**

We encourage you to check it all out yourself. Just don’t get caught in the *paralysis of analysis!* The only way these programs can possibly work for you, for greater returns for your own retirement funds, is if you take the first step, and contact us. There are specific program requirements and thresholds and a quick **Personal**

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Portfolio Review can determine if your current investment programs and strategies would allow you to participate, or not.

Will it work for you? We believe it will, and in a big, big way.

All it requires is completing the pre-application at the end of this report, and emailing or faxing it to us along with your current retirement or investment account statements.

Or, Give Us A Call Today, Toll-Free, 1-888-909-REIA (7342) or go to www.DoubleYourROI.com



Investigate Before You Invest

As has already been mentioned, we encourage you to investigate before you commit, just as with any investment. Start with our corporate website www.citycapcorp.com. We are a public company (CTCC) actively engaged in turning the tide of poverty and hopelessness, and creating affordable homes for working-class families nationwide. Our model of “**Socially-Conscious Investing To Empower Urban Communities**” has been widely-recognized for its success by government and community leaders in cities across America.

We’ve discussed how, as a company, we typically put as much as 40% of our own corporate profits back into communities, both in local jobs and in at-risk youth training programs (like, how to remodel a house, for

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example!), first-time homeowner training and much more. You can find all sorts of good information about our programs online.

Google our founder and CEO, Ephren W. Taylor II. He created these concepts as a teenager, and was honored with the Kansas Young Entrepreneur of the Year award as a result. He is a weekly commentator on financial and housing issues on FOX News and featured pretty regularly on other national media including CNBC's "Big Idea," "Your World with Neil Cavuto," "Bulls and Bears," the "Tom Joyner Morning Show," the "Doug Banks Morning Show," "Montel" and many others.

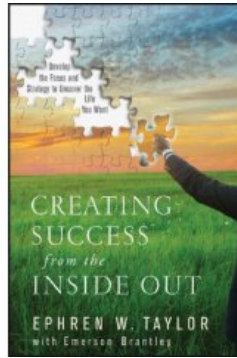


Mr. Taylor has served as keynote speaker for dozens of colleges and business organizations; as a frequent guest panelist for events such as the Wall Street Economic Summit and the Congressional Black Caucus, Future Business Leaders of America-Phi Beta Lambda and many others. Taylor's message to young people from coast-to-coast is one of empowerment and self-sufficiency.

His Urban Wealth Tour visited 18 cities in 2007 presenting his economic empowerment message to thousands across America, bringing together educational, non-profit and government leaders to create positive change in urban communities. Even as he delivers this message to standing-room-only Tour audiences, he is opening new doors of partnership and opportunity with municipal, state, community and corporate representatives in each city. Many new project opportunities have resulted, new local key contact relationships established, and new prospective investors attracted to the company through the Urban Wealth Tour.

The nation's oldest Historically Black College, Cheyney University, recently asked Mr. Taylor to create the Ephren W. Taylor II Entrepreneurship Academy, which will begin accepting students in 2008. Taylor has authored several books including "How To Start A Company While Broke," "250 Tips For Real Estate Investing," "25 Myths of Stock Based Investing," and his most recent book, the bestseller "Success From The Inside Out," now available from Wiley Press.

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We'd like to send you a complimentary signed copy of Ephren Taylor's latest bestselling book, "Success From The Inside Out"

Unlike many corporate powerhouse CEOs, Taylor focuses on socially-conscious investing and development while making significant profits for his investors. Just as described in this report, his approach has been compared to a national non-profit, but as a profit-based enterprise, City Capital is able to invest and reinvest in communities and projects across the country.



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Your Next Step

This is truly a no-hassles, no-effort way to invest in socially-conscious programs with tax-free returns using your IRA and retirement accounts. Obviously, this program isn't for everyone, and everyone who applies won't qualify. But, if you've been thinking about becoming more socially-conscious in your investing, if you've been looking at your current ROI with some dissatisfaction... then you have everything to gain by contacting us and finding out more. Do your due diligence and find out for yourself, then call a City Capital investment counselor today toll-free at **1-888-909-REIA (7342)** or go to **www.DoubleYourROI.com**. There's no obligation to get your questions answered.

Or Better Yet...

If you're a more proactive investor, tired of wasting daylight and wanting some real returns on your investments, we can do a **Personal Portfolio Review**. Big Broker "financial advisors" charge up to \$595, and many companies charge clients even more.

Get A Personal Portfolio Review — Absolutely Free.

When you complete the simple pre-application form at the end of this report and email or fax it to us first along with your current retirement or investment account statements, we'll do a comprehensive review of your portfolio for no charge. **Absolutely Free.**

We'll go over your pre-application and review your statements with you, and based on these and your investment objectives, we'll be able to tell you if you qualify for the program pretty quickly, and what you can

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expect to earn when you participate. Plus, you will be able to get all your questions answered and determine if this is the program for you. And hopefully you'll end up participating with us, investing in these socially conscious programs and watching your retirement account growing twice as fast as before.

You'll Also Receive Ephren Taylor's Bestselling Book — Free

Once we have received your completed pre-application and your current statements, we'll get back to you within 48 hours and set up your **Personal Portfolio Review**.

Whether or not you decide to participate, we'll send you a signed, complimentary copy of Ephren Taylor's bestselling book, "**Success From The Inside Out**," just for applying. This hardback edition was specially-published by Wiley Publishing in November 2007. It's been widely hailed as an amazing look at success from an entirely new perspective. You can buy it in any bookstore or on Amazon for \$24.95... but we'll send you the hardback edition absolutely free of charge, with *no obligation*, when you take that first proactive step and complete the simple pre-application and send it in with your statements for your review.

Your decisiveness is really the key to how fast, and how well, this program can work for you. We look forward to hearing back from you... soon.

**Give Us A Call Today, Toll-Free, 1-888-909-REIA (7342) or go to www.DoubleYourROI.com
To Receive Your Personal Portfolio Review
AND Ephren Taylor's Best-Selling Book— Absolutely Free:**

- 1) Complete the simple pre-application form at the end of this report and email or fax it to us first along with your current retirement or investment account statements
 - 2) Call Toll-Free, **1-888-909-7342 (REIA)** or go to **www.DoubleYourROI.com** to request an appointment.
- We will make every effort to get back with you within 24 hours.

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Notice and Disclosure

The services provided by City Capital and this report and its contents are provided “as is” and the Company makes no representations or warranties of any kind with respect to this report, its contents or its services. This report has been prepared solely for the purpose of providing information about the Company and the services it offers. This report has been compiled in good faith by the Company. The Company assumes no liability or responsibility for any errors or omissions in the content of this report, any failures, delays, or interruptions in its services or any content contained in this report, any losses or damages arising from the use of the content provided in this report, or any conduct by users of City Capital's services. The Company reserves the right to add, modify or delete any information at this report at any time.

The Company does not represent or warrant that any other referenced information which you may access through this report is accurate, complete, or current. When you access any other information through this report, please understand that it is independent from the Company and that the Company has no control over the content. In addition, a reference to any non-Company information is not an indication that the Company endorses or accepts any responsibility for the content, or the use, of such information.

In no event shall City Capital, its shareholders, directors, officers, or employees be liable (jointly or severally) to you for any special, incidental, indirect or consequential damages of any kind, or any damages whatsoever resulting from loss of use, data or profits, whether or not advised of the possibility of damage, and on any theory of liability, arising out of or in connection with the use or performance of the City Capital report, its contents or its services. If any applicable authority holds any portion of this section to be unenforceable, then liability will be limited to the fullest possible extent permitted by applicable law.

The information and estimates shown herein are based on past performance averages and information available from third parties that is assumed to be accurate at the time of this publication. Due to the nature of investment property, the variables may change. Some of the variables may include interest rates, expenses, rental rates, tenant quality and availability, and market tolerance. It is up to each individual investor to do their own due diligence on all subject matter relating to real estate investing and the above mentioned property. Information is deemed reliable but not guaranteed. Buyers should verify all information.

This document contains "forward-looking statements" based on current expectations but involving known and unknown risks and uncertainties, including those described in the Company's annual report on Form 10-K for the year ended December 31, 2007, that could cause actual events or results to differ materially from the events or results described in the forward-looking statements, whether as a result of new information, future events or otherwise. The Company's plans and objectives are based on assumptions involving judgments with respect to future economic, competitive and market conditions, its ability to consummate, and the timing of, acquisitions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the Company's control. Therefore, there can be no assurance that any forward-looking statement will prove to be accurate. The Company makes no undertaking to update such forward-looking statements.

About City Capital

City Capital Corporation (CTCC), founded in 1984, is engaged in leveraging investments, holdings and other assets to create self-sufficiency for communities around the country and the world. Its mission of “Socially-Conscious Investing To Empower Urban Communities” is carried out through initiatives that range from creating affordable homes for working-class families to development and production of biofuels. For more information on these and other investment programs with City Capital, visit www.citycapcorp.com or contact IR@citycapcorp.com, 877.367.1463



CLIENT-INVESTOR PRE-APPLICATION

Thank you for taking the time to apply to participate in City Capital Corporation's socially-conscious projects nationwide. Please complete the following information and return it, along with recent account statements and other supporting documents by fax, email or courier using the information below. Please note all qualified applicants are included on a first-come, first served basis.

Office Use Only (as applicable)
Representative _____
Affiliate REIAssure, Inc.
Date Received _____
<input type="checkbox"/> Interested in multiple properties

Primary Wage Earner: (All fields required. Use black ink only. If not applicable write N/A. Please print clearly)

First Name _____ Last Name _____ MI _____
Present Address _____ City _____ ST _____ ZIP _____
How long? Rent Own Pymnt \$ _____ (Includes taxes/insur?Yes No) Married Single Sep
Previous address (if less than 2 years) _____ How long? _____
Home phone _____ Work ph _____ Other ph _____ Email _____
Employer _____ Address _____ How long? _____
Position _____ Yearly Wages: \$ _____
If less than 2 yrs, prev. employer: _____ How long? _____ Yearly Wages: \$ _____
Liquid Assets (Lender may require a minimum of \$25,000 in cash reserves to qualify for zero cash investing programs)
Bank _____ Savings \$ _____ Checking \$ _____
IRA? Traditional Roth \$ _____ Self Directed? Yes No
401K? \$ _____ Other Retirement \$ _____ With current employer past employer

Secondary Wage Earner

First Name _____ Last Name _____ MI _____
Address (if different) _____ City _____ ST _____ ZIP _____
Employer _____ Address _____ How long? _____
Position _____ Yearly Wages \$ _____
If less than 2 yrs, pev. employer _____ Address _____ How long _____
Position _____ Yearly Wages \$ _____ Work phone _____
Home phone _____ Other phone _____ Email _____
Bank \$ _____ Savings \$ _____ Checking \$ _____ IRA \$ _____ 401k \$ _____

- My investment preferences (long-term, short-term, retirement, stock, greater ROI, credit, cash-flow, etc.) _____
- I prefer to use cash/rollover credit for my investments.
- I prefer to invest in one property at a time multiple properties
- I wish to donate _____% of my returns to charity. Name of church/non-profit _____

I authorize **City Capital Corporation** to obtain my consumer credit information from consumer reporting agencies in order to qualify for the company's investment programs. All information is confidential, only for the use of City Capital and its affiliates, and will not be shared or distributed for any other purpose outside the scope of this relationship.

Signature _____ Date of Birth _____, _____, _____ SS# _____ - _____ - _____ Date _____
Secondary _____ Date of Birth _____, _____, _____ SS# _____ - _____ - _____ Date _____

Investment account statements must accompany this form. Additional documentation may also be required to participate. Requests for documents must be responded to within 48 hours (two business days).

Fax your most recent investment account statements with this completed form to 888-216-8858, then call 888-244-9119 to speak with an advisor.