



Millennium Capital Investments, LLC
6659 Pearl Road Suite 200
Parma Hts, OH 44130
jcantwell@srecnow.com

Seminar Questions and Answers:

What type of company is Millennium Capital Investments, LLC ? We are a real-estate investment company that owns property in the local Cleveland area. We buy, sell and manage our own real estate. Our expertise is in finding under-valued real estate like foreclosures and then managing that real estate. We are real estate investors.

What type of investment is this? It is a real estate mortgage / deed of trust. It is not: a pool of funds with other investors and it is not a limited or general partnership. Our real estate mortgages are the same as the banks; real estate mortgages are not FDIC insured and are not subject to Securities and Exchange acts. It is a transaction based investment whereby Millennium Capital Investments, LLC owns the property and you own the mortgage backed by the property, just like a bank does on your home.

Is my 10% guaranteed? Though nothing is guaranteed, your return is fixed, and it is not based on the performance of our company, but it is based on our ability to pay and manage our properties. We have a large vested interest in the properties with 20% or more equity in each property.

How can we afford to pay 10% interest? We fund our properties with banks and private investors. Our normal hold on a property will be 7 years or less. This makes it ideal to utilize private funding. To buy a foreclosure and fund the purchase with a bank, then rehab the property, and then refinance the property a second time to recover our carrying costs is an expensive and cumbersome process. With a private investor it is a one time transaction and the closing costs are a lot less. As you all know, traditional real estate closings are approx 3% to 5% of loan amount. Our long term hold properties are financed with banks to take advantage of lower bank rates.

What happens if the tenant doesn't pay Millennium Capital Investments, LLC ? We still pay the mortgage interest every month regardless of a tenant, vacancy or otherwise. Our ability to pay is spread over many properties. Your investment is tied to one property.

What is my risk? If we did not pay then you can exercise your Power of Sale clause in your mortgage and sell the property through foreclosure. Remember that your investment is at least 20% less than what the property is worth. If the property did not sell at foreclosure for your entire amount owed then you could take title and sell it on the open market (ie through a real estate agent). If it sold for more than owed, the profit would be yours

Can you buy a piece of real estate with your IRA? Yes you can. Your returns are based directly on how the property performs and appreciates. However there are many prohibited transactions when you buy real estate with your IRA. For instance, you or your family cannot benefit personally from the property. You cannot live in the property or stay in it. Your IRA has to pay for everything for the property. Keeping yourself at an arms length from your IRA property can be difficult as you are not allowed to manage the property for your IRA.

Why are mortgages ideal? Passive investing with fixed returns, no management hassles, no ownership liabilities, secured by a real asset, and not subject to market or housing fluctuations. In a retirement account there are no tax implications.