INVESTMENT IN CONVENTIONAL SECURITIES IS NOT WORKING

Financial instruments have been with us forever. The first known "exchange" was in 1531 in Antwerp, Belgium, where money lenders and brokers would meet to deal in business, government, and even individual debt issues. There were no stocks as we know them today; this exchange was all promissory notes and bonds. Fast-forward to March 8, 1817 to the birth of the New York Stock Exchange (NYSE), and you essentially have the modern-day exchange.

Today, there are so many instruments in which to invest – common stocks, asset-based securities (e.g., mortgages), futures, bonds, and derivatives of all sorts – that you could spend a lifetime researching and finding the best opportunities. Except that everything changes. Daily.

The net effect of all this in today's volatile market is that it's difficult for the individual investor to find, fund, and realize a good return. And **there are no guarantees of performance** for these securities, there's only a "track record" to give you a *sense* of what *might* happen.

What if you could find an asset-backed investment that is *safe, secure,* and *fully-insured* with a *fixed return*? Something *simple to understand,* something you can *physically touch,* and something that performs in a relatively *short term* with a *solid rate of return*…

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Executive Summary

Amplus / Advecta Property Investments is an operating unit of Amplus, LLC., formed in 2014 to create opportunities for investment through real estate acquisition and repair/rehab. We focus on properties in the Milwaukee, Wisconsin area.

Audience

This document is intended for persons of average wealth with liquidity in retirement accounts, brokerage accounts, or bank accounts with under-performing investments. These individuals are potential *money investors* or *private lenders*, and we shall refer to them using combinations of these terms interchangeably.

The word "investor" regarding real estate in this document refers to any person who *invests* time, money, or labor in the acquisition, rehab, resale, or rental of residential properties.

What We Do

We market for, and acquire distressed properties in solid areas of Milwaukee, Wisconsin to rehab and turn into productive rental income properties.

How We Do It

We use specialized marketing to identify properties, perform extensive due diligence on their potential for consistent rental income, acquire such properties, rehab them to exceptional standards, and tenant them with high-quality renters.

What We Are Seeking

We are looking for funding partners interested in a stated, fixed, above-market rate of return for a period not to exceed 10 years.

Investment Security

We provide transparent, safe, secure, and fully-insured opportunities in real estate. Our private lenders are fully-protected through each step of the process.

Exit Strategy

Amplus / Advecta has no planned exit strategy; it is a model built on a continuous passive income. The exit strategy for our lenders is simple – fund a deal, collect on principal and interest for a period of time, cash out for the balance. We strive to exceed the expectations of our lenders to encourage repeat investments with us.

INTRODUCTION

According to the Employee Benefits Research Group (ebri.org), there is $23.7 Trillion dollars in various types of retirement accounts in the United States. That's $23,700,000,000,000.00 if you like to see all those digits. This is all money looking for good investment possibilities, and that number does not include any other type of consumer savings plans.

Most people invest in the stock market – it's what we've learned since grade school; this is where investments are made. So how much money can one earn if invested in the stock market? According to Warren Buffett, it *should* be about 6 to 7 % if you hold for 10+ years.

There are a *lot* of caveats to receiving that level of return in the stock market, which we will look at in at least a little more detail. The key take-away from the stock market investing approach is a simple one: *there are no guarantees or assurances.*

Framework of This White Paper

We're going to touch on various investment strategies that an investor might undertake, and then we are going to go into detail on (relatively) small, high-performance opportunities in a specialized real estate investment process that are *safe, secure, and fully-insured* investments that actually come with a specific term and fixed performance metrics.

What You Will Learn

We will fully detail a *local* real estate investment process, explain exactly how it works, and explain how these investments are safe, secure, and fully insured.

A money investor / lender will discover an opportunity that is simple, requires no management, is fully transparent, and keeps investment dollars working *locally.* The process is straightforward with predictable results.

While others are scrambling to maintain a reasonable return in a highly competitive arena, our money investors have consistent returns over and over again.

Problem Statement

What's happening right now with the $23,700,000,000,000.00 in retirement money is that the lion's share of those dollars is invested in the stock market. According to Warren Buffett, you should realize a 6-7% return on your investment in that arena. Here's what he said:

> *The economy, as measured by gross domestic product, can be expected to grow at an annual rate of about 3 percent over the long term, and inflation of 2 percent would push nominal GDP growth to 5 percent. Stocks will probably rise at about that rate and dividend payments will boost total returns to 6 percent to 7 percent.*

What's All That Mean?

It means that one *should* typically see a return of 6-7%. There's a boatload of caveats that come with that, of course. As we like to say in real estate, "it depends". In this case, what it depends on are things like term – these returns are realized only if you stick for 10+ years, and assuming you made a good stock choice. Or your broker did.

The other, perhaps most important, aspect of investing in the stock market, either directly or through a broker is that **everything is volatile**. The market is up and down, so at any point in time your investment can go negative or double what you put into it; and usually not double.

Are You a Fund Manager?

If you enjoy managing the funds in your investment account, and you're not adverse to volatile risk, then this may be a good fit for you. It comes down to where you want to not only spend your dollars, but where you want to spend your time.

Have you ever tried to set up a self-directed fund management account? Brokers discourage such things because it short-circuits their commissions, and prevents them from making stock choices that favor the brokerage. It's human nature – it's in their incentives.

Of course, you can set up a day-trading account and do all this stuff yourself. Again, is that where you want to be spending your time?

The Bottom Line

Particularly true for the so-called "baby boomer" generation and equally important for anyone that has amassed liquid assets, people are looking for safe ways to stay ahead of inflation and to stave off the decline of their investments without having to baby-sit or monitor activities.

Solution

There is an investment opportunity in real estate that is *safe, secure,* and *fully insured*. In addition to those key qualities, the investment is *local* in nature – creating local jobs and stimulating other investment in the local community.

This opportunity is *market-independent*; that is, it works equally well in "up" markets where residential housing sales are strong, as well as "down" markets where properties sit on the market for months or longer. Our investment strategy is immune to the state of the market, except that it can work slightly better in down markets because property availability is higher.

Investment Description

The opportunity is the **funding for purchase and rehab** of distressed houses that are brought back onto the market as long term income properties that we hold. The commitment of our money investors (lenders) ranges from 6 months to 7 years.

When funded from a Self-Directed Retirement Plan (SDRP), the income and gains realized are tax-deferred or tax-free, depending on the type of retirement plan.

IT'S SAFE

When you invest in a stock, can you touch it? Not the *stock certificate*; that's a deed-like instrument that conveys ownership of the actual "thing". What is that "thing", where is it located, and what can you do with it? And, how much of the "thing" can you lay claim to?

Consider residential real estate. Can you touch it? Yes, absolutely. You can get a physical address of the "thing" you've invested in, you can drive there in your car, get out, walk up to it, and put your hand right on it. And, you can **lay claim to all of it** – 100% of the property.

IT'S SECURE

The private lender has in his or her possession a **Promissory Note** that details the terms of what we will pay and when, plus a **Mortgage**, which puts that lender in *first position* on claim to the property. These are standardized and lawyered Wisconsin instruments.

We have met 100% of our obligations to our money investors and, unless there is a personal tragedy, there will never be a need to exercise the foreclosure provisions of the mortgage. We discuss this more thoroughly below.

IT'S FULLY-INSURED

All the properties that we acquire and rehab are fully-insured with special investor/vacant-property insurance from a major carrier in Wisconsin. As the note-holder, the lender is named as an "also-insured" on the property, as is the convention with any property loan.

The amount of the insurance covers the entire investment. We insure for the eventual After-Repair Value (ARV) of the property, so that as repairs are made and the asset value increases incrementally, the overall value of the project remains in the umbrella of the insurance policy.

IT'S LOCAL

These investments make a *local* acquisition of real estate, a tangible asset. Through the rehab funding of the program, we will pay *local* construction entities, including a general contractor, sub-contractors, material suppliers, and other related providers.

IT'S GOT A STATED RETURN

Perhaps the most significant aspect of this investment methodology, the return that our lender receives is *stated*. Depending on the property, project scope, and other factors, we negotiate a fixed rate of return for use of the lender's money, which is recorded in the note.

What this means for the lender is that the money is not tied to a benchmark or other factor out of his or her control. It is a fixed rate of return - with proceeds that vary on term *only*.

Success Rate

We have formulated a specific process with a 100% success rate. There is little to nothing left to chance or circumstance, and everything is fully insured throughout the process. Our high success rate can be attributed to the **extensive due diligence** we undertake before acquisition, and the use of **experienced rehab contractors** and **highly-vetted property management firms**.

Few investment companies seek low-cost properties that require extensive renovation to be rentable. *The risk of the repair process and vacancy during renovation* has them seeking other, more immediately-profitable low-hanging fruit. We have seasoned rehab crews that eliminate nearly all that risk for us, and **the rehab vacancy cost is figured into our acquisition model**.

We also focus our efforts in geographical areas that have a high volume of low cost distressed