



**The Self-Directed IRA  
 and Your Financial  
 Survival**

*Is 2012 the Year You  
 “Power Up” Your IRA?*

By James L. Paris &  
 Robert G. Yetman, Jr.

Most people who have an Individual Retirement Account, or IRA, keep their funds invested in some pretty standard vehicles. It’s understandable why that is. We are not, as a society, really given to investing in things that are considered to be outside of the “mainstream.” Unfortunately, the *mainstream* has come to mean stocks, stock mutual funds, bond mutual funds, money market funds, and bank certificates of deposit. Look, these are perfectly fine investment options, and they may indeed appropriately command a substantial part of your overall investment allocation at any given time, but the point we want to make is that there are plenty of other vehicles available that are not regarded as standard that you might wish to consider for your investment-earmarked dollars, including...and perhaps especially...those designated for your IRA. What you will find, however, is that if your IRA is presently held in custody at a more typical sort of financial in-

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**Christmas Chaos, 2011**

*The Madness of the Crowd and What It  
 Means to You*

By Robert G. Yetman, Jr.

This most recent holiday season was generally well received, it appears. The economy, as bad as it is, appeared to at least be no worse off this year than in the previous few, and, for some, it might have even been a bit better.

That said, there were some troubling holiday incidents related to unruly and even outright dangerous crowd behavior...each related to the gathering of people eager to be first to buy this or that product...that do not bode well for those who believe in the inherent goodness of man and his inclination to behave decently in times of crisis.

Take a look at what happened during the most recent Black Friday, the day after Thanksgiving that has come to symbolize the first “official” shopping day of a given year and is characterized by the most mercenary sort of madness as some “consumers” fight...literally, in some cases...over goods that are wholly unimportant.

In a Los Angeles-area Wal-Mart, at almost 10:30 pm, a woman allegedly used pepper spray to attack 20 other people who were waiting in line to purchase deeply-discounted Xbox video game players. Police sergeant Jose Valle is quoted as saying that this woman used the spray “in order to get an advantage.”

A woman used pepper spray to “get an advantage” over other shoppers who were simply in line to buy video game systems? Really?

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## Christmas Chaos, 2011

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Also, the day *after* Christmas, there was, by all accounts, a massive melee at the popular (and huge) Mall of America in Minneapolis.

There's more: On Friday, December 23, mayhem ruled, as well, when Nike's newest version of the Air Jordan basketball shoe went on sale across the country. In incidents that literally stretched across the continental United States, more evidence came to light as to just how inhuman people are prepared to treat one another when gathered together at one place to wait to purchase a consumer luxury good. In a Jersey City, NJ mall, a man was stabbed while waiting in line with others for his opportunity to buy a pair; in Richmond, CA, crowds that had assembled to buy the shoes at the Hilltop Mall were forced to disperse following the discharge of a gunshot.

It's easy to discount these incidents as being isolated, or tied to gatherings at places or for things that many of us might think we have no interest in being or wanting. For example, I cannot imagine myself ever wanting to purchase a pair of Nike Air Jordan shoes for myself or for anyone I know. I'm also not one for big malls, so there's a pretty good chance I might never see the inside of a place like the Mall of America.

One's personal preferences in this regard, however, are not the point. The point is the apparently-continuing degradation of the human condition and how these instances of civil unrest might be a cue to how people will act when there's real trouble afoot.

Think these examples of non-survival related occurrences are poor examples of how people might treat one another when life and death is at stake? Fair enough. Let's see what we can find when we look at how people act in truly dire circumstances.

The most recent significant survival event we've seen in this country was, in the agreement of most people, the landfall of Hurricane Katrina on the Gulf Coast. While the aftermath of the storm provided many heart-warming stories of people providing assistance to one another, it is difficult to discount the *other*, well-documented stories that emerged...those of vicious, frightening exploitation and lawlessness.

Here's what to take from this: Most of the decent, public behavior you witness when you're out and about is a sham. That's right...a sham. We all want to believe that it is sincere, and so we act accordingly, but it is not. The reality is that people tend to act decent and orderly to and among one another because that is our general tradition as a country, and those traditions are reflected just about everywhere.

Watch more closely, however; look around and see how people act, especially when they think no one else is looking at them. Just the other day, the local central Florida news highlighted the story of a perfectly middle class man who was arrested for stealing money from a storefront display that was set up to help a cancer patient. This is a man who, no doubt, goes through his day saying

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## **Christmas Chaos, 2011** *(Cont. from page 2)*

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things like “please” and “thank you,” and even holds the door open for ladies as they pass through. Nevertheless, underneath the rituals of politeness and civility that characterize many of our fellow citizens is a much darker reality about who many of these people really are. The truth is that relative peace in our society is really held together by just the thinnest of threads. If people are willing to do physical battle with one another over the matter of who gets to purchase some non-essential consumer goods, what will they do when the lines forming are for food, water, or some other key component to human survival?

Friend might not turn on friend, and neighbor might not turn on neighbor, but how many friends and neighbors do any of us really have? There are many more people in this world whom we don’t know and with whom we do not share a kinship of any kind than there are people we do know and among whom we can feel safe and secure.

Look more closely at the aforementioned case of the lady who pulled out the pepper spray at the LA Wal-Mart. Evidence later emerged that suggested that she might not have been the person who actually initiated the fracas, but, instead, found herself caught up in the rapidly-accelerating pushing and shoving that was taking place and pulled out the pepper spray as a self-defense measure. According to LAPD Det. Mike Fesperman, “It could have been a situation that she was in fear for her safety, that she would be crushed.” In other words, although the use of the pepper spray grabbed all of the attention in this story, the more important reality just might be that this was another mob of people who were unwilling to control themselves and display basic civility toward one

another. Ultimately, then, we’re left with this: Whether the real culprit in this was the lady with the pepper spray or the mob of people against whom she may have been defending herself, it’s clear that we cannot be trusting of the decent inclinations of many when we’re away from our home “fortresses.”

## **Self-Directed IRA** *(Cont. from page 1)*

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stitution, like a bank or brokerage house, it is going to be limited in terms of what you may place into it as an investment. Brokerages are generally receptive only to what are called negotiable securities, which are stocks, bonds, and the other kinds of vehicles that can easily be traded on exchanges or through other, established securities markets. If your IRA is at a bank, you will be limited to just the handful of cash and cash equivalents—sorts of vehicles offered by the bank... money markets, CDs, those sorts of things. If your IRA is at a mutual fund company, you can invest not only just in mutual funds, but exclusively in the funds offered by that particular fund family.

The point is that if you keep your IRA where most people keep theirs, you probably think that the only kinds of investments into which you can even put IRA money is the more usual kinds of things we’ve outlined above. However, that is not true.

To clarify, a self-directed IRA is not a different type of IRA in the way that a Roth IRA and a regular IRA are different types of IRAs. When we talk about self-directed IRAs as a type, we say that to differentiate them from the IRA custodians that only offer the more limited scope of investments we

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# **The Jim Paris Perspective**

## ***Notes and Thoughts on the Realization of Bible Prophecy in the Current Day***

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### ***The Selling The Mark Of The Beast***

We are currently in the throes of writing a new book entitled *Selling The Mark Of The Beast*. Many speculate that the Mark Of The Beast will be taken reluctantly by most citizens of the one-world government led by the Antichrist. We believe, however, that the Mark will be ushered in with the same sort of fanfare that often accompanies the release of the latest iPhone or iPad. In fact, we envision people standing in long lines to be among the first to take the Mark.

### ***The Mark – Will It Include An Embedded Chip?***

Many prophecy experts suggest that the Mark will be more than just a physical imprint on the right hand or forehead, but will also involve a computer chip that would be embedded under the skin. One of the challenges involved with piecing together the prophecies in the Book of Revelation is considering how a man living 2,000 years ago would describe what God was revealing to him. We are persuaded that the Mark will be more than just ink on the skin and will include some form of a smart computer chip. For those not aware of it, the technology for all of this exists right now and has for a number of years.

### ***The Sales Pitch***

No one will be able to buy or sell without the Mark (Revelation 13:16 -17). The conversion to a cashless system is already under way. The idea of the Mark being used as a way of making payment or receiving payment for goods and services is crystal clear in scripture. With a little imagination, we can imagine ideas of other applications for the Mark.

### ***Government Benefits To Be Paid Only Through The New Cashless System***

Imagine an announcement that all government benefit payments would take place only through the new cashless system. Social Security has already phased out the mailing of physical checks. How many recipients of Social Security would take a stand and go without their monthly check and refuse to take the Mark? Recent statistics reveal that more than 50 percent of Americans currently receive a monthly check from the government; simply by requiring the recipients of government benefits to take the Mark, a very large percentage of the population will fall in line.

### ***The Perfect Answer To Identity Theft And Financial Crimes***

As identity theft continues to increase, the idea of a cashless system with an embedded smart chip will be considered a 'smart' financial move. After taking the Mark and the embedded chip, you will completely eliminate any chance that your identity could be stolen.

## **The Jim Paris Perspective** *(cont. from Page 4)*

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### ***The Ultimate Answer To Security Screening***

As acts of terrorism continue to increase worldwide, we are seeing more and more security checkpoints. Just getting through an airport to take a domestic flight can take an extra one to two hours due to security. These types of security checks will likely expand to include any venue where large numbers of people congregate. Currently, these types of checks are generally limited to large events like the Super Bowl, but may soon become common at locations such as shopping malls and movie theaters. The sales pitch would be to offer you what is tantamount to a 'speed pass' if you simply go through a background check and then take the Mark and embedded chip. How many people would sign up for this right now?

### ***Emergency Medical Information***

With a simple scan, emergency medical personnel will be able to view your entire medical history, allergies to medications, and other details about your medical condition.

### ***Conclusion***

These are just a few of the 'benefits' that could be offered to those that take the Mark. We believe that this technology could provide dozens of benefits to its recipients. The applications that will be associated with the technology of the Mark could be as wide and varied as we see today in the available apps for smart phones. Look for the our new book by late summer of 2012.

### ***Is The Antisemitism of Hitler Alive Today?***

Holocaust Remembrance day is coming up on April 18 and we thought it might be interesting to take a look back at what was the most horrific event in recent history. Many of the reasons for Hitler's antisemitism are similar to views that can be found today. We believe, however, that Hitler and his followers were not just antisemites but were greatly influenced by Satanic forces. Whether knowingly or not, he was being used as a tool to wipe out the Jewish people to prevent the fulfillment of Bible prophecy (If Hitler's genocidal plans were carried to fruition, the Jewish people could not have returned to Israel as they did in 1948).

### ***The Nazis And The Occult***

The Nazi movement grew out of several occult groups that began in the late nineteenth century. What sparked this movement was a growing anti-materialism sentiment among the German people. The desire for material possessions was replaced by a renewed interest in spiritualism and nature. Hitler was born in Austria as this movement was just beginning to take shape. Raised a Catholic, he left the religion, but still publicly represented that he was a Christian. As a young man, he began to embrace a very dark and occult form of antisemitism.

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### ***One Nation For A New Holocaust***

I saw a shocking video on YouTube recently of a large crowd at an Egyptian soccer match chanting "One nation for a new Holocaust." The dark forces behind Hitler and a hate for God's people are as alive today as ever. The death of Hitler did not close the book on hate for the Jewish people. While the nation of Israel has few friends among its Middle Eastern neighbors, things appear to be getting much worse. Iran's leadership has made it clear that they want to wipe Israel off the map. Prior to 1935, Iran was known as Persia. Ezekiel 38 describes what many prophecy scholars believe to be a Russian (Magog) led alliance in a war against Israel. The group of attacking nations will include Persia (Iran).

Many naïve pundits believed that the so called Arab Spring would usher in democracy in the Middle East and recent events prove they could not have been more wrong. What we are already seeing in Egypt is a landslide support for *The Muslim Brotherhood*. From Wikipedia:

*The Brotherhood's credo was and is, "God is our objective; the Quran is our constitution, the Prophet is our leader; Jihad is our way; and death for the sake of God is the highest of our aspirations." The Brotherhood's English language website describes the "principles of the Muslim Brotherhood" as including firstly the introduction of the Islamic Shari`ah as "the basis controlling the affairs of state and society;" and secondly work to unify "Islamic countries and states, mainly among the Arab states, and liberating them from foreign imperialism."*

The Muslim Brotherhood seems to have taken full advantage of the vacuum of the power left by the ouster of Egyptian President Hosni Mubarek. This group is no friend to the Jewish people and represents the most radical faction of the Muslim community.

In one sense, as believers, we are filled with concern for the Jewish people as these events develop but the good news is that we know how the story ends. Just as Hitler failed to destroy God's people, the current-day enemies of Israel will also fail. It is interesting to have what is shaping up to be the best seat in history to see God's hand at work in the fulfillment of Bible prophecy.



***James L. Paris***  
***Editor-In-Chief***

## Self-Directed IRA (cont. from Page 3)

previously mentioned. Really what makes self-directed IRAs different is the nature of the custodianship – with a self-directed IRA, you have the ability to invest your funds into any investment allowed by the IRS. The self-directed IRA puts you in real control of your retirement by giving you much greater flexibility in choosing the assets that comprise your account. To finish the initial thought of this paragraph, then, any kind of IRA... regular, Roth, SEP, etc...can be a self-directed IRA. Self-directed refers to custodianship.

So what is this greater breadth of investment vehicle choices we're talking about? Can you invest in absolutely anything and everything when you have a self-directed IRA? No. The IRS has set forth guidelines about what is and what is not off limits for IRA investment, and if you take a trip over to [www.irs.gov](http://www.irs.gov) you can review all of the details, but here is an interesting, short list of non-traditional investments that you likely didn't know are eligible for investment inside of an IRA: precious metals, real estate, cattle, crops, timber deeds, private placements, tax liens, and royalty rights. Additionally, you can be a private lender using funds from your IRA; this means you can loan money in the same way that a bank or individual citizen can loan money, only here you would use assets from your IRA.

As we've noted, there are several kinds of non-traditional assets in which you can invest through a self-directed IRA, but we wanted to take a few minutes and discuss

two of the more popular ways you can use IRA assets outside of the norm to gain diversification for yourself away from the realm of securities markets: investing in real property, and investing in "hard" precious metals.

### Real Estate and the Self-Directed IRA

One of the challenges of investing in real estate *securities* is that although those securities are representative of the real estate industry, they are also subject to the broader implications of the stock market's movement. Accordingly, they don't represent real diversification; direct investment in real property does, and self-directed IRAs allow you to do that very thing.

While the custodian you choose for your self-directed IRA can help you with the particulars of the process of investing in real property, to be sure you are acting in accordance with all of the required guidelines, here are a few things to keep in mind up front:

***You are prohibited from using the property yourself.*** This is important – you cannot buy a property with your IRA and then inhabit it, so if you're considering doing that very thing, forget it (at least if you want to stay out of trouble). On the same note, you cannot sell to your IRA any properties that you own personally.

***All transactions must be in the name of the IRA.*** In order to preserve the protections of the IRA, to include the creditor protection

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## Self-Directed IRA

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afforded IRAs in many states, all of the legal documents constructed in association with real estate transactions inside of the IRA must be titled in the IRA's name. If you are not sure, ASK your custodian beforehand!

***If the property produces income, you may not accept any of it personally.*** Again, this is about the IRA; all rental income must go directly into the IRA...AND, any expenses associated with maintaining the property must come from the IRA.

### Precious Metals and the Self-Directed IRA

The survival-minded love precious metals; precious metals represent the only universally agreed-to currency with clear, intrinsic value. Many investors have found themselves frustrated at the prospect that they can invest in precious metals only in the form of negotiable securities and not own the physical metal outright within the confines of an IRA. Even exchange-traded funds like SPDR Gold Shares, which is the largest physically-backed gold ETF in the world, is not "hard gold" enough for some investors for whom it's either the metal itself, or nothing else. Well, as with real property, you can own actual, physical gold in your self-directed IRA, which, again, gives you the investor real options to protecting your financial downside in a traditional retirement plan.

There is some confusion among those who are interested in holding precious metals directly in an IRA, confusion that arises from the IRS prohibition against owning collectible coins in an IRA. The key is that the precious metal cannot be *graded*; coins that are graded have a large portion of their value tied to their uniqueness or collectability as minted pieces. The only kind of physical precious

metal that can be owned by an IRA is that in which the value is related exclusively to the price of the raw metal.

While your self-directed IRA custodian will be able to assist you with the particulars, investing in precious metals with your IRA will involve you selecting both a precious metals dealer as well as a depository for your purchase. Once you pick a dealer, you will get with a custodian representative to fund the purchase from your IRA. Also, you will need a place to keep the metal, a depository. You can't take possession of it yourself (until distribution, of course), so the asset will have to be kept in an approved depository location. You can even have the metal stored offshore, if you want.

With respect to the matter of choosing a dealer and a depository, it will be incumbent upon you to do the necessary due diligence to be sure you are going to be happy with the service, fee/commission structure, and other related issues. Again, these matters are separate from the IRA custodian – their responsibility is to facilitate the transactions to and from those entities, but the custodian is not responsible for the behavior of those entities.

There are a variety of self-directed IRA custodians out there, and it is up to you to do the necessary "due diligence" to find the one that is best for you. We would recommend doing a Google search for "self-directed IRA custodians" to begin your search, but we can also tell you (these are NOT recommendations) that a list of some of the better-known custodians would include Entrust ([www.theentrustgroup.com/800-392-9653](http://www.theentrustgroup.com/800-392-9653)), Pensco ([www.pensco.com/866-818-4472](http://www.pensco.com/866-818-4472)), and the Lincoln Trust Company ([www.lincolntrustco.com/800-521-6974](http://www.lincolntrustco.com/800-521-6974)).