



The Shopoff Individual Retirement Account (IRA)

The Shopoff IRA is a self-directed IRA that allows the owner to invest in a variety of non-traditional assets including Real Estate Investment Trusts (REITs) such as Shopoff Properties Trust.

The Shopoff Group has partnered with Trust Company of America, the Custodian for The Shopoff IRA. Trust Company of America is Custodian of \$2.6 billion of assets, and specializes in providing administrative services for traditional investments as well as non-traditional assets such as non-traded real estate investment trusts and limited partnerships. With an IRA account administered by Trust Company of America, you will now be able to consolidate all of your holdings into a single account, with immediate and personal service when you need assistance.

You can access your account 24/7 via the internet, and Trust Company of America has assigned a personal service representative to assist The Shopoff IRA account holders, toll-free at (800) 955-0245. You will also receive comprehensive, easy-to-read, quarterly statements of your account holdings.

Investing with Your IRA – There may be certain advantages to investing in Shopoff Properties Trust with your IRA. A traditional IRA allows you to defer taxes on any gains until the funds are withdrawn. It is even possible, through the use of a Roth IRA, for any potential gain in your investment to be entirely income tax-free. Even if you do not currently have a Roth IRA, it may be possible for you to either establish one now, or to convert all or part of an existing traditional IRA to a Roth. To convert to a Roth in 2007, you must have no more than \$100,000 of Modified Adjusted Gross Income, if married and filing a joint return. Taxable amounts converted will be taxed as Ordinary Income. Beginning in 2010, conversions will be allowed to all IRA holders, regardless of income levels.

Taxes – Withdrawals from your IRA prior to age 59 1/2 may be subject to a 10% federal tax penalty as well as income taxes, and earnings from a traditional IRA are taxed at your ordinary income tax rate when withdrawn. Consult a tax advisor prior to investing.

The Shopoff IRA No Set-Up Fees or First Year Annual Fees

The Shopoff Group will pay the set-up fee and first year annual fees associated with the initial offering of Shopoff Properties Trust, Inc. for all shareholders investing through The Shopoff IRA.

It's Easy...One Single, Comprehensive, On-Line Form

- Shopoff Properties Trust has negotiated special client rates with Trust Company of America that provide for a low \$55.00 annual fee beginning with the second year. Special service fees (e.g., account transfer, distribution checks, overnight processing, and account termination) are not paid by The Shopoff Group.
- The fees assessed for assets other than Shopoff Properties Trust will differ. Please contact Trust Company of America, Client Services Department, at (800) 955-0245 for these fees.

Investments in the common stock of Shopoff Properties Trust involves a high degree of risk. You should not invest in shares of our common stock unless you can afford the complete loss of your investment. For more information on the risks of this investment, please see the Prospectus.

We recommend you consult your financial and tax advisors before making any financial decisions.

Investing With Your IRA

The Shopoff IRA

You need a self-directed IRA to invest your IRA funds in Shopoff Properties Trust, Inc. Because only a small percentage of Custodians allow true self-direction, The Shopoff Group has provided IRA owners the opportunity to invest in REITs, Limited Partnerships, and other non-traditional assets through The Shopoff IRA.

Rollovers – The Hidden Money

If you have an IRA that does not allow self-direction, you may transfer all or part of it into The Shopoff IRA.

Additionally, you may Rollover a retirement account including 401(k), 403(b), or 457 Plans from a previous employer, or open a new account in The Shopoff IRA, and fund it with current IRA contributions.

IRA Considerations

When investing with your IRA, you should consider, at a minimum:

- (1) whether the investment is in accordance with the documents and instructions governing such IRA,
- (2) whether the investment satisfies the fiduciary requirements associated with such IRA,
- (3) whether the investment will generate unrelated business taxable income (UBTI) to such IRA,
- (4) whether there is sufficient liquidity for such investment for such IRA,
- (5) the need to value the investment under such IRA annually or more frequently, and
- (6) whether such investment would constitute a prohibited transaction under applicable law.

Required Distributions

You are required to take annual distributions from traditional IRAs beginning in the year after you reach age 70 1/2. Inherited non-spousal IRAs require annual distributions, regardless of age.

Investors needing to take Minimum Required Distributions should take this into consideration when investing IRA funds, making sure they maintain adequate liquid IRA investments to meet their distribution needs.

As with all investments, you should review your plan and options with an experienced tax or financial advisor prior to investing. See www.IRS.gov (Publication 590) for a complete discussion of IRAs.

Our Mission: Creating Wealth Through Real Estate Investing



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Securities offered through Shopoff Securities, Inc. – member FINRA, SIPC

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Frequently Asked Questions

Q. What is an IRA?

A. An Individual Retirement Account is a tax-advantaged personal retirement account. Depending upon your income, tax-filing status and coverage by an employer-sponsored plan, your contributions may be tax-deductible.

Q. May I rollover my 401(k) to an IRA?

A. Yes, individuals may rollover to a IRA all or any portion of their retirement account from a previous employer, including 401(k), 403(b) and 457 Plans.

Q. What asset types may I have in my IRA?

A. As long as you have a self-directed IRA, you may have many different types of assets including non-traded real estate investment trusts, limited partnerships, mutual funds, stocks, bonds, cash, and more.

Q. Can I use my current IRA account to invest in Shopoff Properties Trust, Inc.?

A. Yes, if your current Custodian provides for self-direction into non-traded REITs. Otherwise, you may open The Shopoff IRA account, and either transfer assets or make current IRA contributions.

Q. When will I pay taxes on my IRA funds?

A. Roth IRA contributions are not tax-deductible, but all withdrawals are income tax-free. Other IRA accounts defer income taxes on the earnings until funds are withdrawn.

Q. How much may I invest in my IRA?

- A.
- Traditional or Roth IRAs – In 2007, there is a \$4,000 limit (\$5,000 if age 50 or older). In 2008, the limit is \$5,000 (\$6,000 for age 50 or older). Must have earned income, and traditional IRA, must be under age 70 1/2.
 - SEP IRA – \$45,000 maximum contribution in 2007 (25% of W-2 wages, or 20% of net self-employment income).
 - SIMPLE IRA – \$10,500 (\$13,000 if age 50 or older), plus some employer match.

2008 Limits for SEP and SIMPLE were not set as of publication date.

Q. What is the relationship of Shopoff Properties Trust to Trust Company of America (TCA)?

A. TCA is separate and not affiliated with any of The Shopoff Group of companies.