



**NIRIA EXCHANGE**

**Our Proprietary Capital Gains  
Tax Deferral Strategy**



## About NRIA Exchange

NRIA Exchange is a private advisory firm that implements capital liquidity and exit strategies that defer taxes in the disposition of investment real estate, business and/or other highly valued asset.

## Proven Track Record

Our parent company, NRIA, founded in 2006, is one of the nation's leading specialists in middle-market institutional real estate investment management, focusing on luxury townhome, condominium, and multifamily acquisition and development in dynamic urban markets along the East Coast.

As a vertically-integrated investment platform, NRIA achieves exceptional risk-adjusted investment performance and tax benefits for individuals via commercial real estate investment.

## A Tax Deferral **Strategy** That Brings **Value** to Your **Clients**

We've developed a proprietary capital gains tax deferral strategy that gives sellers access to the total amount of their net proceeds today, while the capital gains tax bill is deferred for up to 25 years.

The Deferred Liquid Sale is a creative liquidity and exit strategy that can be used for the disposition of assets including real estate, a business and assets, art collections, or other valuable assets.

## Benefits of the Deferred Liquid Sale

- Allows capital gains taxes to be deferred up to 25 years.
- Can be used for disposition of assets such as real estate, a business or its assets, a professional practice, art collections, or other valuable asset.
- An attractive alternative to a 1031 exchange, which requires specific regulations and rigid deadlines.
- Allows complete liquidity and access to funds after initial investment.



### A Better Way

NRIA Exchange can help your clients implement a strategy that can defer capital gains taxes by up to 25 years, while achieving full liquidity at settlement.

In a typical business or property sale or disposition: The seller of a business or property has found a suitable buyer at the right price. In a straight sale, the buyer pays the agreed-upon amount and the seller's gain recognition would be taxable in the year of the transaction. For a seller in the upper tax brackets, that could be 30 to 35%. For example, with a gain recognition of \$1 million, the seller would owe \$300,000 to \$350,000 in taxes.

The "Deferred Liquid Sale" an easy 3 step process that allows you to defer your capital gain tax while at the same time becoming fully liquid. The installment sale is allowable by the IRS and falls under Section 453 of the Internal Revenue Code. NRIA Exchange offers this strategy in consultation with one of the top 15 international law firms in the country.

The **"Deferred Liquid Sale"** Can be accomplished in three easy steps.

#### 1) Sale of the Asset.

Your broker who represents you will list and ultimately find a buyer for your business and/or investment real estate. Once they have done so an agreement of sale will be prepared and executed.

#### 2) Structuring of the Installment Sale Note and Lenders Note.

Once you have an executed agreement of sale. Our attorneys will prepare an addendum that will explain and allow the asset that you are selling to pass thru NRIA Exchange to the buyer that you and your broker have under agreement. Simultaneously a loan will be arranged for you, with an institutional lender that is familiar with our process. Terms for the loan will be similar to that of the installment sale note.

#### 3) Settlement of the Asset.

On settlement day, the asset will be sold to the buyer and the net proceeds of this transaction will stop with NRIA Exchange, thus allowing the seller to defer the tax on the gain for up to 25 years via the utilization of the installment sale contract/note. While at the same time the seller will receive funds equal to the amount of the net proceeds that they would have received on the sale of their asset via the loan that was arranged for them.

**Please note:** An ACH account will be set up with a bank of the sellers choice, where both the monthly payments to the seller from NRIA Exchange and the monthly payments to the lender from the seller will occur.



**Learn More**

# NRIA EXCHANGE

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