

Press Release

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FOR IMMEDIATE RELEASE
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SKADVISORS JOINTLY DEVELOPS THE "STRUCTURED INSTALLMENT SALE"

Titusville, FL, September 1, 2006 - SKadvisors, LLC, an independent investment advisory firm, announced today it joined with Capital Retention, LLC to develop and offer the Structured Installment Sale.

The Structured Installment Sale was developed as a tax planning tool to defer taxable gains when large, unqualified assets are sold. Similar to a [1031 Like-Kind Exchange](#), the gains realized on the sale of an asset are deferred until a later date – unlike the Like-Kind Exchange, the Structure Installment Sale is not limited to real estate transactions and instead of having to “re-invest” the gain in a like-kind purchase, the seller receives a promissory note that qualifies as an installment sale under IRS rules. The seller then receives cash payments (installments) over the life of the note and pays income taxes as payments are received. **A summary report of the Structured Installment Sale is attached to this press release.**

“In using the Structured Installment Sale, taxes that would have been paid in the year of closing are deferred..... not only does the tax payer delay the tax payment, but the amount that would have been paid is invested, increasing the actual value of the original sale amount,” said J. Roger Shealy, Partner and Chief Economist, SKadvisors, LLC.

Capital Retention, LLC is a Florida based company that functions as an intermediary in the sales process. The owners of SKadvisors, LLC are affiliated with Capital Retention.

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Structured Installment Sale — Summary Report

Developed to maximize return and minimize taxes while providing a secure installment note.

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This report is for informational and discussion purposes only and is not to be construed as tax advice. Situations and transactions can vary — as such, professional advice is necessary for each.

WHAT IS AN INSTALLMENT SALE?

An installment sale converts what would otherwise be a one-time cash transaction, subject to an immediate recognition of income/gain, to payments made over a specified period of time. This defers the recognition of the income/gain until such time payments are received. This is usually done by using a promissory note and security instruments to evidence the obligation of the Buyer to the Seller for the purchase price and additional interest on the note.

While the advantages are quite clear:

- ⇒ No tax due at closing (unless Seller elects to receive cash at closing)
- ⇒ Tax is due only as payments are received on the promissory note.
- ⇒ Interest is earned and compounds on the outstanding balance (which includes the “deferred tax amount”).

There are significant risks and disadvantages:

- ⇒ Credit risk of the buyer (default on promissory note).
- ⇒ Due to credit risk concern, notes are often of a short duration (less than 5 years) which limits the pre-tax growth potential and accelerates the taxes due.
- ⇒ The rate of interest (on the promissory note) is usually low and subject to the deteriorating effects of inflation.

To eliminate these risks and disadvantages, Capital Retention has developed a “Structured Installment Sale.”

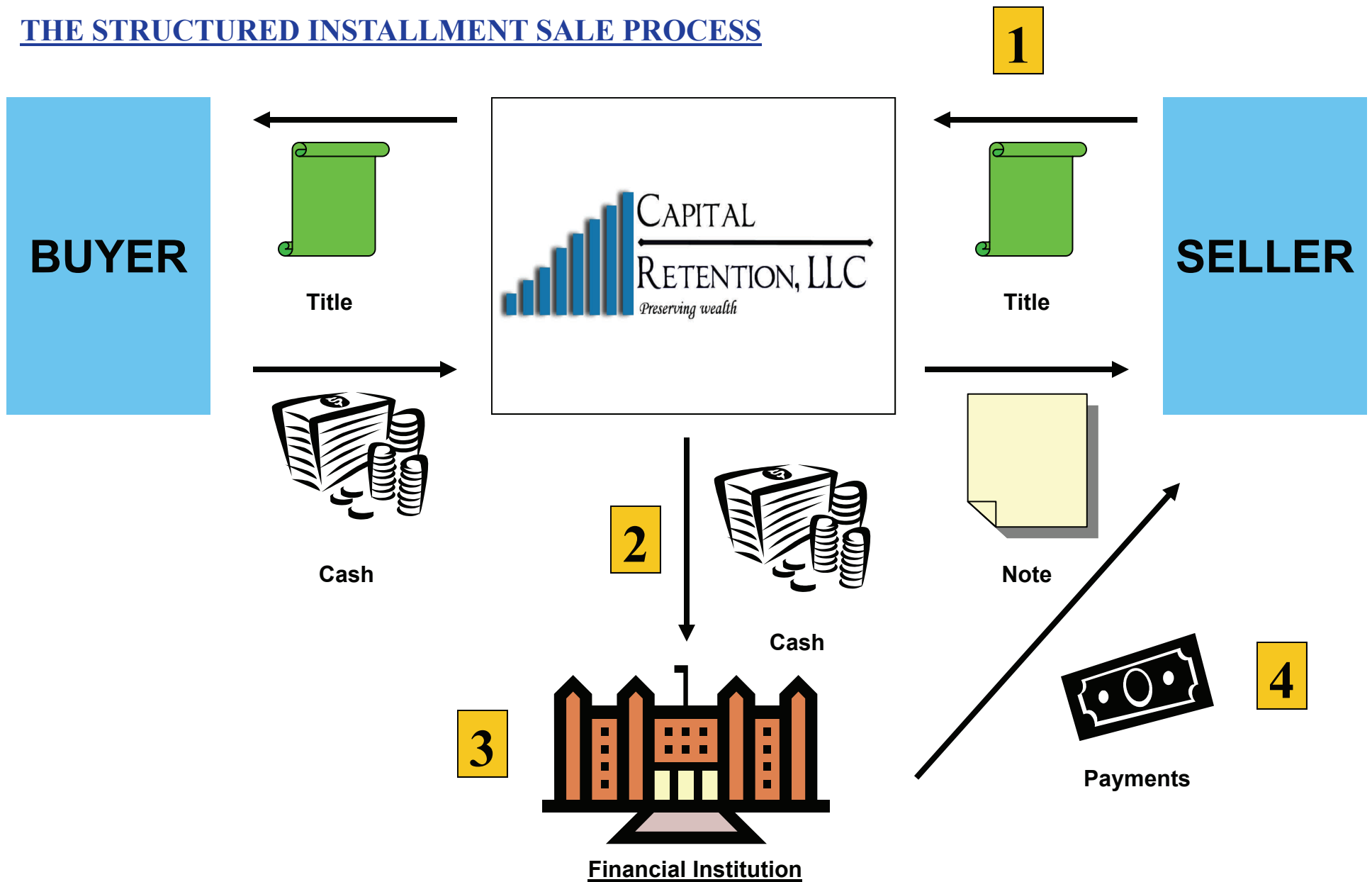
WHAT IS A “STRUCTURED INSTALLMENT SALE”?

First the Seller and Buyer amend their existing contract to include Capital Retention as an intermediary party in the transaction. By doing so, Capital Retention actually becomes a party in the sale of the asset and buys the asset from the Seller on an installment basis and sells it to the Buyer on a cash basis. This eliminates the buyer’s credit risk and allows the seller to defer paying taxes on the gain (tax is paid as payments are received).

The money that the Buyer pays (cash at closing) is placed with a major financial institution and a corporate guaranty from the financial institution is provided to the Seller as security for the installment note. The Seller, in consultation with a Financial Advisor, will develop a portfolio of investments (stocks, bonds, mutual funds, etc.) that will determine the level of return on the promissory note.

The promissory note is tailor made to meet each Seller’s specific needs. Installment payments may be received quarterly, semi-annually, or annually — and may be delayed for a period of time (thus increasing value) before the initial payment is made.

THE STRUCTURED INSTALLMENT SALE PROCESS



1. Capital Retention steps in at closing as an intermediary. Seller transfers title to the Buyer through Capital Retention. Buyer delivers cash to Capital Retention. Capital Retention issues an Installment Note to the Seller.
2. Capital Retention deposits cash at a Major Financial Institution.
3. Financial Institution opens an account and provides a corporate guaranty as security for the Installment Note.
4. Seller receives installment payments due under the Note.

STRUCTURED INSTALLMENT SALE - SAMPLE TRANSACTION

Sale Price of Asset	\$ 2,500,000.00
Term of Promissory Note	30 Years
Number of Years Delayed	5 Years
Payment Period	25 Years
Capital Gains Tax Rate (Long-term)	15.00%
Targeted Rate of Return	7.00%
Capital Retention - Structure Fee	2.00% ¹
Ordinary Income Tax Rate	35.00%

The above assumptions are for illustration purposes only.

1 - The Capital Retention Structure Fee is 2% of the Sale Price if the gain is long-term in nature. The Structure Fee is 4% of the Sale Price if the gain is short-term or ordinary in nature.

Sale Price: \$ 2,500,000.00
 Closing Costs: (175,000.00)
 Capital Retention: (50,000.00)
 Sale Proceeds: \$ 2,275,000.00

7.00% Estimated Sales Commission and Closing Costs
 2.00% Transaction Fee
 Cash Invested in Structured Installment Sale

Basis in Asset: \$ 750,000.00
 Capital Gain: \$ 1,525,000.00

Subject to Capital Gains Tax

Tax Paid at Closing: \$ 0.00

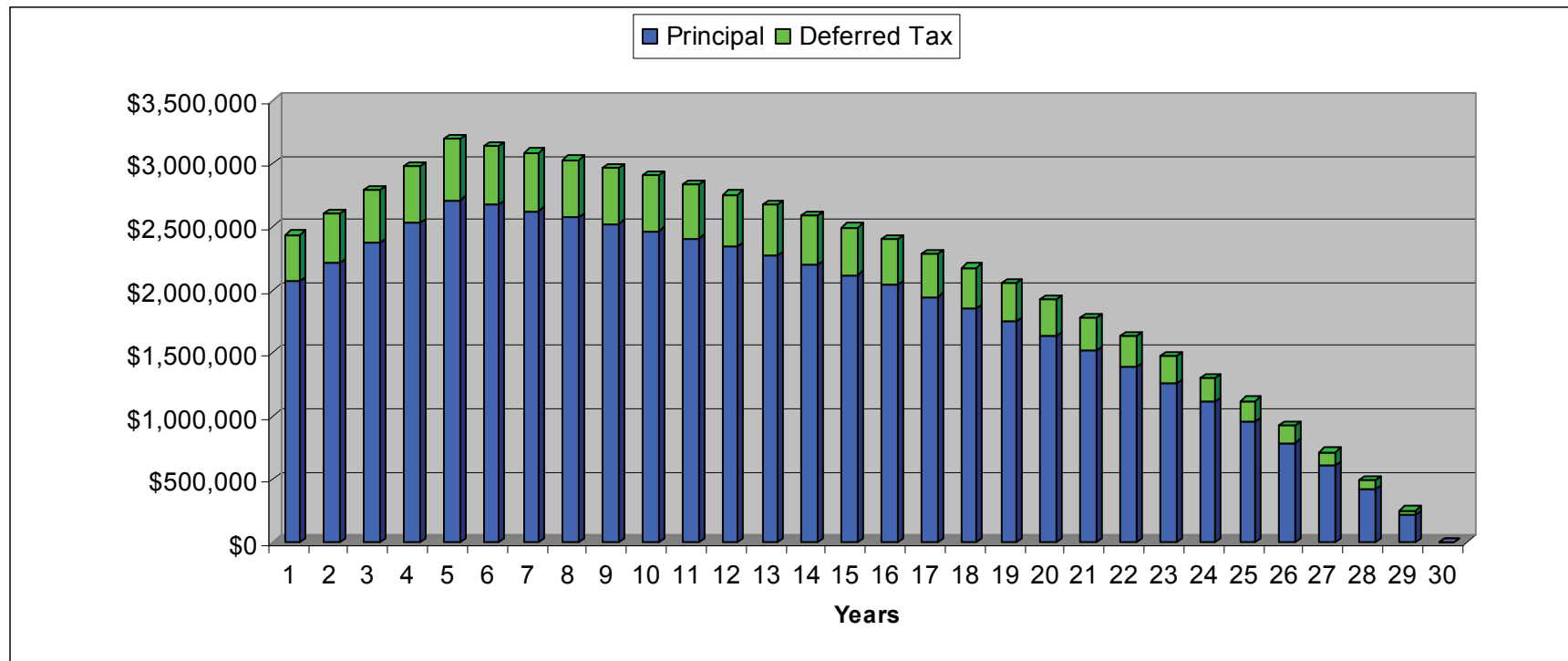
Long-term Capital Gains Tax of \$228,750.00 is deferred.

Term of Installment Note: 30 Years
 Years Delayed: 5 Years 1 through 5
 Years of Payments: 25 Years 6 through 30
 Average Annual Rate of Return: 7.00%
 Annual Installment Payment: \$ 273,804.64

Based on Portfolio Performance
 Beginning with Year 6

To show the added benefit of tax deferral, the Sales Proceeds of \$2,275,000.00 is identified by two components:

- 1 \$ 2,046,250.00 - Principal (Sales Proceeds net of deferred Capital Gains Tax)
- 2 \$ 228,750.00 – Deferred Capital Gains Tax



Capital Retention, LLC is transactional tax-planning firm located in Central Florida. Capital Retention is managed by CPAs, investment strategists, economists, and financial professionals with extensive experience in structuring transactions to maximize return and minimize taxes.

Capital Retention works directly with client's legal counsel and accountants to ensure a proper understanding and reporting of structured installment sale transactions.

Capital Retention has established relationships with top accounting firms, law firms, and investment management firms to provide clients with the most comprehensive solution to their individual transactional needs.