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## Oregon Passes Qualified Intermediary Law

State of Oregon, House Bill 3484 was passed by the State House and Senate during the Legislative Regular Session of 2009 and once it has been signed by Governor Kulongoski will become effective on January 1, 2010. This is great news for 1031 investors and the Qualified Intermediary (Q.I.) industry. JELD-WEN 1031 fully supported this bill as it made its way through the legislative process. Similar laws have been passed by California, Washington, Idaho and Colorado with other states in the process of working on Q.I. regulations.

The measure requires the Q.I. for 1031 tax deferred exchanges to meet prudent investment standards for the handling of the exchange funds. The new law also requires the Q.I. to account for funds or property in an exchange within a reasonable time; to meet the contractual duties stated in the exchange agreement; and to promptly deliver funds or property unless such failure results from circumstances beyond the Q.I.'s control.

### Requirements under House Bill 3484 ~

- Notification to the exchanger of any change in ownership of the Q.I. company within 10 business days
- Q.I. must carry Fidelity Bond coverage in an aggregate amount of not less than \$1 million
- Q.I. must carry Errors and Omissions coverage in an amount of not less than \$250,000
- Q.I. must satisfy investment goals of liquidity and preservation of principal in handling of exchange funds

### Prudent investment standards are not met if the Q.I. ~

- Comingles exchange funds with Q.I.'s operating accounts
- Loans or transfers exchange funds to a person or entity that is an affiliate or related to the Q.I.

JELD-WEN 1031, has long maintained unwavering high standards in preservation of principal and safety of investments for exchange clients. Take advantage of one of the most powerful investment tools available, the 1031 exchange, using the trusted professional services of JELD-WEN 1031.

“Opportunity is rare, and a wise man will never let it go by him”

-- Bayard Taylor



## Interview the Accommodator

“Are all exchange funds held in liquid, segregated accounts at financial institutions and how does JELD-WEN 1031 select financial institutions?”

JELD-WEN 1031 establishes liquid, segregated accounts for all exchange funds and uses financial institutions that provide the account structures necessary to comply with any existing federal or state regulations for 1031 deposits. In addition to meeting any regulatory requirements, we solely work with financial institutions that are *at least* three star rated by Bankrate.com. We also look for financial institutions that allow us to provide our exchange clients with on-line view access to their respective accounts. Other specialized banking products are also available upon request.