



News Release

10401 North Meridian Street
Suite 300
Indianapolis, IN 46290
317-616-4004
www.ticassoc.org

Contact: Jill Delaney
Tenant-In-Common Association
317-616-4033
jdelaney@ticassoc.org

Tenant-In-Common Association Issues First Position Statement

INDIANAPOLIS — July 24, 2007 — The Tenant-In-Common Association (TICA) Board of Directors adopted a position statement clarifying when tenant-in-common (TIC) interests in real property are subject to the federal and state securities law.

The position statement says:

“The Tenant-In-Common Association (TICA) recognizes that all tenant-in-common (TIC) interests are real property. It is TICA’s position that sales of TIC interests are subject to federal and state securities laws when the TIC interests are structured to be sold to unrelated persons, who will not be actively involved in the management of the property, and who have an expectation of income and profits to be derived primarily from the efforts of others.”

TICA’s position statement does not pertain to those instances whereby a group of related parties own a property as tenants in common and are not reliant upon the efforts of a third party promoter, under an investment contract for income and profit. For example, if an attorney puts together a deal with three or four doctors to buy a medical building, this would be considered a non-recruiting, small deal which is exempt from securities laws.

“The purpose for TICA’s position statement was to provide clear direction from the Board of Directors to the legislative and regulatory committee as this committee develops and implements its strategic plan for outreach and advocacy,” said Patricia DelRosso, president of TICA. “The TICA position statement is compatible with our mission, best practices, ACE award program and work on the joint taskforce.”

TICA acknowledges that structuring undivided fractional interests in real estate in a manner that subjects them to federal and state securities laws offers the investor a number of protections, including:

- Sponsors and sellers must fully inform investors about the true value of the property, the history of its operations, any prior disciplinary history of promoters and the risks of investment.
- Sellers are licensed as securities agents.

- State and federal regulators conduct investigations into fraudulent offerings so investors can have confidence in the legitimacy of real estate investments offered by licensed sellers.
- Investors have the right of rescission on the investment in the case of an unintentional omission of information.
- Investors have the right to sue for redress under the securities laws in the event of fraud.

For more information on TICA's stance, read the entire position statement at www.ticassoc.org.

About the Tenant-In-Common Association

Established in 2003, the Tenant-In-Common Association (TICA) is the only national trade organization representing professionals in the tenant-in-common industry. TICA promotes the highest ethical standards to its members as well as provides education and information to the entire TIC community. For more information about TICA, visit www.ticassoc.org or call 317-616-4033.

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