

CONTRACT TRUST CALL #125

July 10, 2021

RECORD

DISCLAIMER Hello Everyone. Today is Saturday, July 12, 2021. Welcome to our Contract Trust Conference Call. We are not accountants, tax professionals, lawyers or currency dealers. We are not engaged in rendering legal, tax, accounting or other professional advice. Should you require those services, you should retain competent advice from a professional in that field.

WELCOME Thanks for joining us today. We are Indicator Information Institute. My name is Carol Werelius and my partner Jim Knox and I have these calls every 2nd and 4th Saturday of the month. These calls are recorded and available on our website, www.indicatorinformation.com, iqdcalls.com and YouTube. As we get closer and closer to our expected exchange, we thought this would be a good time to review our Common Law Contract Trust, and why we think it is the best vehicle for you to protect your assets. We will not be discussing the RV or exchange. As always, your questions are welcome. *6 to raise your hand.

1. So, lets talk about trusts and asset protection. Most statutory trusts are designed to provide for the logical distribution of your assets upon your death. Those assets will go through probate and all the headaches involved with it, including making it public information. Our Common Law Contract Trust is designed to PROTECT your assets while in life. It is totally private, managed by Trustees, usually yourself, and provides for the natural succession of Trustees that you have appointed. Use of the common law contract Trust totally avoids probate and inheritance tax issues. You died, the Trust, the lawful owner of the assets, did not.
2. Over the years we have discussed the need for Trusts and why we feel ours is superior to any other trust offering asset protection. We have referred to

your first Trust as the Motherlode Trust. It is the well spring from which all other Trusts are created and funded. We have talked about secondary Trusts, like Management Trusts, Real Estate Trusts, Vehicle Trusts etc. The Motherlode Trust functions much like the trunk of a tree with deep roots and therefore, the Mother Lode should be the most secure and private account that you set up.

3. We have spoken with many of you who wish to put your houses and even cars into the Motherlode Trust. We highly recommend against this practice. Real estate and vehicles are potentially high liability items. Putting them in the same basket as the currency/money puts everything at risk. That's why we offer Real Estate and Vehicle Trusts.
4. Today, we would like to expand on the Management Trust concept, why its important and how it interacts with your Motherlode and other Trusts.
5. Using a Management Trust can effectively shield the Motherlode Trust from any outside activity. This account will receive funds from your Motherlode Trust so that it can function as your purchasing or lending arm. Hypothetically, it functions much like the branches of a tree; it has more exposure and it is easier to break or penetrate, but it is an account that connects to some levels of the outside world.
 - a. Place adequate funds in this account to easily cover your prospected purchases and to cover several outgoing expenses for easier manageability.
 - b. It can also fund your personal checking account for daily and personal expenses.
6. The Management Trust simplifies some of the issues associated with multiple properties and multiple vehicles. Many of you are planning on purchasing multiple vehicles, more than one residence, rental properties, etc. Obviously, that may create an accounting nightmare, so we suggest the use of a Management Trust. For instance, not only can the Management Trust purchase the property on behalf of the Real Estate Trust, the Management Trust can pay all the taxes, insurance and maintenance for

ALL of the real estate, thus eliminating the need for separate bank accounts for each piece of property. The same holds true for vehicle trusts, etc. Real Estate and Vehicle Trusts don't even need an EIN.

7. This Management Trust will have its own EIN and bank account.
 - a. This Trust has full power to dispose of the properties and complete control over its management such as; paying insurance, taxes, maintenance, repairs, upkeep of home and property, etc.
 - b. As Trustee, you still control the assets in the Trust and the income they produce.
 - c. We can create Management Trusts for you including all the steps to validate its creation and funding. We are fine tuning the contracts to facilitate the interactions between the Trusts. Jim will post them on the website when they are ready.

8. Recently, one of our clients told me an attorney said that the Trustee of a common law trust cannot benefit from the Trust. While that may be true of some trusts, it is not the case with our Common Law Contract Trust. Trustees are encouraged to take a salary. The Trust may pay for their business expenses. It is not unusual for the board of trustees to decide that they can best serve the trust (and its Certificate Holders) if the trust purchases a nice house for use by each trustee. And often a nice car. And usually a nice retirement plan. And so on and so on. And all these purchases are generally not reportable to any government agency, beyond the legal requirements involved in purchasing the property itself. This form of "compensating" the trustees is the norm when the trustees are also the exchangers. All the trustees need do is document their belief that these actions will make it easier for the trustees to manage the trust assets, and any trust activity they choose can and will be justified with respect to the trust indenture. Remember that the trustees of a Common Law Contract Trust are accountable for their intent to benefit the trust, and therefore the Trust Certificate Holders. They are not accountable for the ultimate results in the event that those activities cannot be proven to actually result in benefits to the Trust's Certificate Holders. While trustees of a statutory trust

can be sued and directors can be fired if their activities do not clearly and directly benefit their respective bosses, (the beneficiaries or shareholders), the trustees of a Common Law Contract Trust are only held accountable for their intent to bring about those tangible benefits.

9. As members, you all have access to our website, which should answer most of your questions. Jim has put in a lot of time and effort to keep the website viable and is adding to it on a regular basis. While we realize its often easier to pick up the phone and ask a question, rather than search for it, we would like you to research it first. The website was designed to be a resource for you and a respite for us. As you might guess, we are pretty busy right now, so please check the website first.
10. Jim, what would you like to add?

Thanks to all for you for your time and attention. My name is Carol Werelius. My number is 877-333-5018. I am available between 10 and 6 Eastern time. The best way to reach me is by email. info@indicatorinformation.com. Have a happy and safe weekend! Go RV!