

**CONTRACT TRUST CALL  
DECEMBER 1, 2018**

**RECORD**

**DISCLAIMER**

Hello Everyone. Today is Saturday, December 1, 2018. 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**

During this call we will talk about Trusts in general and the Contract Trust in particular and why we feel the Contract Trust is the best way to protect and preserve your assets. My friend Judy will be assisting me in the call today. My partner Jim Knox will discuss the best way to fund major purchases and help your family and friends. We would appreciate your participation today with your questions.

Good day, Judy, are you ready to get started?

1. Carol, we appear to be so close to our long awaited RV. We have all heard that we need to be ready. Why, what's the big deal, why do I need to get a Trust now? I've heard that the banks will be offering a temporary or skeleton trust if we don't have our own trust.
  - a. Well, for starters, that makes the bank your partner. Your lack of preparation also indicates to them that you aren't really taking this seriously and they may not offer you the best rates, even if you ask for them. Having your Trust prepared ahead of time shows the bank you have spent the time and effort to protect your privacy and anonymity and that you are prepared to use these funds wisely and prudently.
  - b. Use of the type of Trust that we offer totally eliminates probate and inheritance taxes. Consider what could happen if you went to cash in your currencies, and then with this sudden newly realized wealth you suffered a heart attack and collapsed right on the bank floor and died, or you stepped outside and were unfortunately struck by a bolt of lightning, tornado or a speeding car. You and your heirs could be facing a substantial (and totally unnecessary) "haircut," of this new-found wealth. It could be years before your family sees any of that money.
  - c. Federal Estate Tax comes in effect when a PERSON dies. The Contract Trust is created in contemplation of life, not death. The death of a Trustee or Certificate Holder has no bearing.
2. You mentioned the type of Trust that you offer. What exactly is that?
  - a. We offer a Non-Grantor Irrevocable Common Law Contract Contract Trust . For the sake of simplicity, we refer to it as a Contract Trust.

3. What is the difference between your Contract Trust and any other type of trust?
  - a. One of the most unique and I feel compelling differences is that with this Contract Trust, you get to be your own Trustee. That boils down to a very important advantage. There is no one between you and your money. No manager, protector or anyone else telling you what you can and cannot do.
  - b. The Trustee(s) may do (or not do) absolutely anything that an ordinary, adult person can do.
  - c. The Contract Trust is totally private, and not required to be registered/filed in any state (except Nevada) unless one is actively involved in a business, thus guaranteeing your privacy and anonymity.
  - d. The Contract Trust is a irrevocable common law contract trust, that is actually a contract in Trust format.
  - e. We are guaranteed the right to contract to the US Constitution.
  - f. Irrevocable means no one can tell you to terminate the Trust to pay someone else. In a typical statutory revocable Trust, like a Living Trust, the Grantor, (you) can change your mind about what you have granted or given someone right up until your last breath. The IRS has a clawback clause. In a financial or business setting, “clawback” may refer to a provision in a contract that allows money or benefits to be taken back if special circumstances arise. So, the IRS MAY decide that because you still had total control, the assets of that revocable trust may be part of your estate when you die. With an irrevocable Contract Trust, you give up all right, title and interest to the asset, irrevocably, so it will never become part of your estate, thus no probate and no inheritance taxes.
4. That sounds interesting. How do I set up a Contract Trust?
  - a. The first thing you should do is choose a name. Anything that sounds good to you is OK. Try for a strong sounding name. DO NOT use your surname or sequential numbering, e.g. My Trust #1, My Trust #2, etc. That would indicate there is more than one. I often suggest the name of a favorite pet, something reflective of a hobby, etc. DO NOT name your Trust the same as an existing business.
5. Do I need to register the trust in my state?
  - a. The Trust does not need to be registered unless it is operating a business. Nevada is the exception.
6. Do we have to check to see if someone else has registered that name?

- a. As there is no registration, there is no need to check the name.
7. I live in a state that imposes a state income tax? Can I avoid this?
    - a. Yes, we suggest establishing an address in Wyoming or any of the other 6 states that do not impose a state income tax.
  8. Should I have an address other than my home for the trust?
    - a. It is not imperative, but it is a good way to protect your privacy and anonymity.
    - b. We suggest you send the Trust a piece of registered mail to further verify the address of the Trust. (Put a letter in the envelope explaining the reason you sent the certified mail and leave it sealed. If challenged, hand the unopened letter to the judge to open it.)
  9. Do I need an EIN?
    - a. Yes, and we will obtain it for you.
  10. How do I get my currency into the Mother Lode trust?
    - a. You exchange your assets, in this case, currency, with a Creator, into the Trust for Trust Certificate Units.
  11. Who is the Creator and what is his or her role?
    - a. The Trust is a contract. One cannot contract with oneself, so a disinterested third party initiates the Trust. The Creator can be anyone you choose, preferably one who lives near you. The Creator temporarily takes TITLE to you currency and exchanges it into the Trust, and gives you 100 Trust Certificate Units to evidence the exchange. The Creator does not need to know how much currency you have or where you have it.
    - b. The Creator has a very short lived position in the Contract Trust . First, is to exchange the assets into the Trust and issue Trust Certificates. His or her last duty is to appoint a suitable adult person as Trustee. As you were the one to amass those assets that were formerly yours, and the Creator has the fiduciary duty to provide for the safe, logical, and economical administration of those assets, it is extremely likely that he or she would choose you as the First Trustee.
    - c. Once the First Trustee has been appointed the Creator's job is finished and he or she has no further authority, responsibility or liability to the Trust Organization.
  12. How many Trustees do I need?

- a. The Trust can operate with only one Trustee, however, if married, we recommend both spouses be Co-Trustees.
  - b. You must name at least one successor Trustee, who will take over the management of the Trust when you and your Co-Trustee die.
13. Can one Trustee act independently from the other?
  - a. NO! The Trustees must unanimously agree on everything. We do provide an Executive Trustee Minute that allows one Trustee to act for and on behalf of the other one.
14. What happens to the Trust when I/we die?
  - a. You died, but the Trust did not. In the event of a Trustee's death or incapacity, the Successor Trustee assumes his/her duties immediately. There is no waiting, no filing or court approval necessary.
15. My kids are minors, can I name them as Successor Trustees?
  - a. Yes, but you must also name an Interim Successor Trustee to manage the Trust until your children reach an age that you specify. Don't assume your kids will be mature enough at 18 to manage the Trust. You can also name your kids as Advisory Trustees, giving them valuable experience in learning about the Trust and how it operates. They MUST be made aware that the Trust is personal to your family and it NOT to be discussed with outsiders.
16. Can I specify that all Successor Trustees be my bloodline descendants?
  - a. Yes, we can add that demand and say bloodline must be proved by a DNA test.
17. Is this Trust a Spendthrift Trust?
  - a. Not specifically, but we can add that distinction if you request it.
18. How do I get money out of my Contract Trust ?
  - a. As a Trustee, you are entitled to pay yourself a salary. The amount can be any number you're comfortable with. \$5,000 a month, \$10,000 a month, whatever. This should be enough to cover your everyday needs, groceries, utilities, gasoline, medical bills, etc. You can pay yourself weekly, monthly, quarterly or annually. It's up to you. Keep it reasonable as it will be 1040/1099 income to you.
  - b. As Certificate Holder, you are entitled to distribution from the Trust, should the

Trustee (you) chose to make one. This is also a taxable event.

- c. The Contract Trust can also pay/reimburse your expenses for business related travel, memberships, continuing education, etc. What about vacations and golf and tennis club memberships? As a Trustee you are charged with managing and growing your Trust. That means you probably want to investigate business opportunities and relationships, does it not? Most of those expenses are tax deductible to the Contract Trust.
  - d. The Trustees have the authority to lend money occasionally, with or without interest or security, except that no loan may be made to any Trustee (individually) or to any current Certificate Holder without fair security. If there is a loan, there needs to be a loan agreement and/or Promissory Note. If your loan agreement calls for payments, make the payments back to the Contract Trust . For example, consider a 10 yr. Balloon Note at 2%. At the end of the 10th year, renew the Balloon Note. Ever heard of a 30 year mortgage? Just remember; at some point in time, you'll need to start paying off the loan. Otherwise, the IRS could consider this "forgiveness of debt", which is subject to gift tax.
  - e. Your first or what we call Mother Lode Trust can fund other Trusts. This is what we suggest for purchasing high ticket items like houses and vehicles. The new Trust owns the house or car outright, with no loan payments. This is also the best way to give large amounts to family and friends.
  - f. Regardless of which method you choose, be sure to write minutes documenting your actions.
  - g. The above methods of paying for services, reimbursing expenses and making distributions and loans all fall within the guidelines of Internal Revenue Service Codes.
19. Can the trust make investments?
- a. The Trust can do anything a legal adult person can do, including investing, operating a business, lending money etc. It is important to remember that all business transactions, including buying and selling property, stocks, bonds, securities and other investments, insurance, furniture, appliances, computers, electronic equipment, etc., is to be agreed to and voted upon by the Board of Trustees. Any and all investments, purchases, etc., should be done in the name of the Trust.
20. How do I document the trusts activities?
- a. You will need to write Minutes to document the Trust's activities. All Trustees must sign the Minutes. If the Trust transacted no business in any calendar year,

you should write an End of Year Minute, documenting that.

- b. There are sample minutes in the USB drive you receive with your Trust. There are many more on our members only website, [www.indicatorinformation.com](http://www.indicatorinformation.com). We are adding new ones as people request them.
21. What if I've purchased additional currency since I got my Trust. How do I get it into the Contract Trust?
  - a. Just write a minute stating the Trustee purchased additional Dinar, Dong, Zim, etc. on behalf of the Trust Organization.
22. Should I put a limit on how much the trust can spend, and on what?
  - a. For your convenience, you may wish to document all transactions up to an amount the trustees deem prudent and responsible, with a general minute, authorizing the transactions. You might consider a stamp with the Trust's name on it to stamp all receipts.
23. Let's assume I've had my Contract Trust for a few months, but I haven't gotten around to signing it yet. Is it still valid?
  - a. The Contract Trust is not valid until it is signed and notarized.
24. I do plan on keeping a low profile after the RV, but I'm sure it will become obvious to some that I have come into money. What do I tell them if they want to borrow money or have me fund their project or pay their bills?
  - a. While you may wish to help someone out on a one-time basis, your best answer to those requests is simple. "All of my money is in a Trust, I will have to check with the Trustee." No one needs to know you are the Trustee.
25. Should I open a bank account for this Contract Trust in anticipation of the RV?
  - a. While we used to recommend that course of action in the past, we no longer feel that its necessary. Even though we all believe we are on the cusp of the RV at this time, we've all heard that story before. So much money has been lost to account fees that I just don't feel its necessary to open an account ahead of time anymore.
  - b. Also, while some banks are eager or have been eager to open accounts for Trusts, many of them have changed their policies. Wells Fargo used to be the lead bank, and we have sent a lot of people there. Now, most of them will not open a new account for a Trust. Strangely enough I have some clients in Florida who have no difficulty with the local Wells Fargo, I have others in different states that have had difficulties. So, I recommend waiting. Believe me, when you are sitting in front of

a banker with piles of money in front of you, they will do anything to keep it in their bank.

- c. If you do decide to open an account now, I suggest you say you want to open an account for your Trust. The EIN letter and Abstract of Trust that we provide should be sufficient for your exchange and opening a bank account.
26. I have heard that we should have a separate account for the dinar, apart from other currencies. Does that mean another Trust?
- a. The important word here is “account”. One Contract Trust can own several bank accounts, so the answer would be no. However, you can have additional Trusts if you feel you want to set it up that way.
  - b. The Trust can have as many bank accounts in as many banks and locations as you feel appropriate. Personally, my husband and I will have our Mother Lode Trust accounts at several different banks.
  - c. You must remember that co-mingling Trust funds with your personal funds is a big NO-NO! The bank accounts you set up are for the business of the Contract Trust. You CANNOT pay your personal items from those accounts.
27. I think we've all heard that our exchange will not be taxed at the Federal level. If it is not taxed, and I put all of the money in the Trust, I will be taxed when I take it out, right? How do I get money out up front without paying taxes on it?
- a. Again, I am not a CPA or tax professional. This is just my opinion on how we may be able to take advantage of this one-time tax break. I think most of us have issues that we need to address post RV. Whether it be outstanding debt, a new car, helping out friends, we don't want to pay taxes if we don't have to. So, at the exchange, how about this scenario? “Mr. Banker, I now have x million dollars. I would like you to put \$100K into my personal account. Here is my account number and wiring instructions. I would like to take \$9500 cash with me when I leave today, as well as a funded debit card attached to my personal account. I will need these wires to be sent and here is a list of cashiers checks that I need. I will need a pass through account for X \$. I would like to put the balance into an account at your bank for ABC Trust to begin a long term, mutually beneficial relationship. Here is my paperwork (Abstract and EIN should be all that you need.)”. This is obviously pretty simplified, but you get the idea.
28. Carol, how long does it take to set up a Contract Trust and how much does it cost?
- a. Typical turnaround time is about a week. But I expect that to be considerably longer post RV. With all the anticipation of the RV happening soon, I have been very busy, so I have added staff. Once up to speed, we should be back to less than

a week.

- b. The pre RV cost is \$1495 for the first Trust, additional Trusts are \$1195. The cost of Contract Trust will increase post RV.
  - c. This is a one time charge and since it is not registered with the state, there are no annual fees to the state like there are with corps and LLCs.
  - d. We also offer a 20% referral fee for new clients or a 20% discount for secondary Trusts and family members.
29. Will you be available to answer my questions or prepare additional Trusts?
- a. Like many of you, Jim & I plan to retire after the RV. We will stay in business for about 6 months post RV. We do have staff that will continue to produce Trusts, if necessary. Our website will archive all of these calls, as well as questions and answers as they arise.
30. Do you create other Trusts?
- a. Beside the Mother Lode Trust, we offer secondary Trusts, Real Estate Trusts, Vehicle Trusts and Charitable Trusts. We do not provide LLCs, Corporations or Foundations.
31. Do you offer any other estate planning services?
- a. We have the Triple Play, which includes a Pour Over Will, Power of Attorney and Health care directive. The Triple Play is \$275 for a single and \$350 for a couple.

Thanks Judy for your help today.

Jim, would you like to add a few words about funding major purchases and helping family and friends?

Thanks Jim, would you care to add your contact information?

Thank you for your attendance and attention. Once again, my name is Carol Werelius, my phone number is 425-820-8090. I am available between 9 and 5 Central time. My email address is [info@indicatorinformation.com](mailto:info@indicatorinformation.com). Go RV and have a great week!