

CONTRACT TRUST CALL
April 27, 2019

RECORD

DISCLAIMER

Hello Everyone. Today is Saturday, April 27, 2019. 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

As we approach this RV/Currency Evaluation, it is more important than ever for us to be prepared for the our exchange, so let's talk about Contract Trusts.

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

1. **What is a Contract Trust?**
 - a. A Common Law Contract Trust is not really a Trust at all, but a contract in Trust format. It is a unique agency of commerce that offers numerous advantages in the areas of estate preservation and asset protection.

2. **Is Common Law still valid?**
 - a. Common law is the system of law which is based on judges' decisions and on custom rather than on written laws.
 - b. While some attorneys may try to convince you otherwise, common law is still very valid.
 - c. The basis for the term "Common Law Trust" in this instance is not that the organizations are creatures of common law, but they are created under the common law of contracts and do not depend upon any statute. They are not organized under any statute and they derive no power, benefit or privilege from any statute.
 - d. All of the various states of this country, except for Louisiana, have founded their systems on the common law of England and have adopted its rules of "Stare Decisis", under which unwritten law is made through case law decision.
 - e. We are guaranteed the right to contact from our Constitution. Since the Contract Trust springs from contract, common law, there is an inalienable right to use them freely.

3. **What are the advantages of the Contract Trust?**
 - a. The Contract Trust owns and controls its assets through its Trustees, who keep controlling minutes of their actions.

- b. As Trustee, you are in total control of the Trust and its assets. There is NO ONE between you and your money.
 - c. A person can transfer all of his or her property, real or personal, to a Contract Trust. Such property is thereby protected from personal liabilities, probate and death taxes.
 - d. The Contract Trusts that we prepare are irrevocable.
4. **Why are they often called Massachusetts Business Trusts?**
- a. In the early part of the last century, in certain states, specifically Massachusetts, it was illegal for a corporation to own real estate in its own name. This created a basic liability problem for individuals. Businessmen looked for an agency of commerce that would give the advantages of corporations without the inherent disadvantages to solve the liability problems. They looked into English common law and found what they were looking for in *Smith v. Anderson*.
 - b. The *Smith* decision established the validity and viability of these entities in English common law in beginning 1880. The *Smith* decision has never been reversed.
5. **How is a Contract Trust created?**
- a. The participants of the Contract Trust are the Creator, Investor/Exchanger, Trustees and Certificate Holders of Beneficial Interest.
 - b. The Creator, a separate natural person from the Investor/Exchanger, initially represents the Contract Trust and bargains with the Investor/Exchanger to exchange \$21 and 100 Trust Certificate Units for the Investor/Exchanger's property. That is how your currency becomes part of the Trust.
 - c. There are 4 ways to transfer property; gift, sale, assignment or exchange. The Contract Trust uses the Exchange method.
 - d. The Creator then appoints the First Trustee, either himself, or another of his choosing. *That person could be the original Investor/Exchanger*. Once the First Trustee is appointed, the Creator exits the Contract Trust contract.
6. **What is the business of the Contract Trust?**
- a. The business of your Trust is Estate Planning.
7. **What are Certificates and what do they represent?**
- a. The Certificate represents the Exchange between the Creator and Investor/Exchanger. The initial investment of money or property by the Exchanger is a fixed irrevocable investment.
 - b. The Certificates are the personal property of the record owner alone, without reservation of any community property interest. Ownership does not entitle the Certificate Holders to any legal or equitable title in or to the Trust Organization properties or assets, but shall only entitle the record owners of Trust Units to their proportionate shares of distributions.

- c. Unlike a corporation, no Certificate Holder shall have any right to manage or control the destiny, property, affairs, or business of the Trust Organization or the Trustees.
- d. The Certificate becomes Null and Void upon the death of the Holder. It is the responsibility of the remaining or Successor Trustees to issue new Certificates.
- e. You will receive 4 Trust Certificates with your Trust. The first 2 are signed by the Creator. The second two are provided for your Successor Trustee, who takes over the management of the Trust when you die. DO NOT sign them.

8. **Where can I find legal back-up supporting Contract Business Trusts?**

- a. Not in the T as in Tom section of the Law Library, but the B as in Boy section. As part of your Trust package, you will receive a CD full of legal backup precedents, American Jurisprudence 2nd Volume 13, explanations of a Contract Trust and operating instructions.

BREAK FOR Q & A

9. **Do I need more than one Contract Trust?**

- a. While you probably don't need additional Contract Trusts at this point, you will most likely want to diversify post RV.
- b. We like to call this first Contract Trust your Mother Lode Trust. It is and should stay private, known only to you and your Private Banker/Wealth Manager.
- c. We suggest that you never purchase anything from this Trust, and never do online banking from this Trust. You won't even need checks or a debit card.
- d. Once all the initial business of the RV has settled down, you may wish to create additional Contract Trusts for specific needs.

10. **Do I need an EIN for each Trust?**

- a. That all depends on the purpose of the Trust. If you anticipate doing any banking from a Contract Trust, it needs its own EIN.
- b. We obtain the EINs on your behalf, as part of our service.

11. **Now that I know how my currency gets into the Contract Trust, how do I get money out of it?**

- a. There are actually four different ways. The first way is to pay yourself a modest salary as Trustee. This should be enough to cover your everyday needs, groceries, utilities, gasoline, medical bills, etc. The second way is to declare and pay a "Distribution" to the Trust Certificate Holders of the Contract Trust. In either case, this money is taxable income to you. You probably want to take some money this way and pay a minimal amount of tax.
- b. You could also borrow from the Trust. A big question for many is "How do I pay off my house?" or "How do I purchase new property?" There are a couple of ways to do this. You could borrow the money from the Trust, essentially a new

mortgage or refi, (refinance) that you control, or the Trust could pay-off/purchase the property itself. In either case scenario, you still end up owning the property in your own name. This is NOT a good idea if you are trying to keep a low profile. A better option is to obtain a mortgage from the Trust, secured with a promissory note, and put the house into a Real Estate Trust. This would be optimal for larger expenses and is not a taxable event! You could use this same method to purchase new vehicles, etc.

- c. Creating secondary Contract Trusts is another way to purchase big ticket items without creating a loan or a taxable event.
- d. Don't forget about tax deductible expenses. 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.
- e. Regardless of which method or combination of methods you choose, be sure to write minutes to support your actions. You must be diligent in keeping the Contract Trust legal and in compliance with Federal, State, County and City codes.

12. I have heard that this exchange may not be a taxable event. How can I take advantage of the one time tax break?

- a. 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/wiring instructions. I would like to take \$9500 cash with me when I leave today, as well as a debit/credit 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. Here is my paperwork (Abstract and EIN should be all that you need.)". Again, I am not a CPA or tax planner. This is just my opinion on how we may be able to take advantage of this one-time tax break. This is obviously pretty simplified, but you get the idea.

13. You mentioned a pass through account. What is that?

- a. Some of us have more than 1 Trust at present. Personally, I don't believe we will have the time or the opportunity to open more than account. By setting up a pass through account, you will be able to fund those Trusts, without creating a taxable event.
- b. While we're on that subject, if you have a current bank account for your trust, you will want to open a second account and close the first. I have heard that we can't mix "old" fiat money with "new" asset backed money. I do have more instructions on this. If you would like more information, just email me.

14. **Do you know if the RV will be considered a taxable event?**
- a. Currently, we think there will not be any federal taxes imposed on revalued currency or somehow taken care of at the exchange institution. However, if this is not the case, will we need to set up a Secondary Trust account to pay the taxes. If it is taxed, you're covered, if not, you have a sizable bonus.
 - b. I have heard the because the Zim may be classified as a bond, it may be taxable.
 - c. If you live in state that imposes state income, we recommend you domicile your Contract Trust in a state that does not. We suggest Wyoming or Washington.
15. **If there are taxes levied, will future cash disbursements to trustees be tax free?**
- a. Disbursements to the Trustees are always taxable to the Trustee. The amount paid to the Trustee is a deduction to the Trust, so its not double taxation.
16. **We 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 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.
17. **Will you be available to answer my questions or prepare additional Trusts?**
- a. Like many of you, I plan to retire after the RV. Jim and I will stay in business for about 6 months post RV. We do have staff that will continue to produce Trusts, if necessary. Our members only website will archive all of these calls, as well as questions and answers as they arise.
18. **Do I have to contact you to write minutes or update my Trust?**
- a. Several years ago, when my husband Jay and I started in the Trust business, Jay said, "We can't just give people the keys to this F16 without giving them an owners manual", so we created several booklets about the Trust, including "How to Operate". Our website has links to those booklets, including sample minutes for your use, as well as a host of legal back up, including Am Jur 2nd, on Contract Trusts.
 - b. We give you very specific directions on operating your Trust, as well as instruction on writing minutes that document your actions. This saves you time and money.
 - c. Our website, www.indicatorinformation.com, is full of sample minutes for your use. The website is "members only" for your authorized use only. Please email me for an invite code to join.
19. **How long does it take to set up a Contract Trust and how much does it cost?**

- a. Typical turnaround time has been less than a week, until recently. With all the anticipation of the RV happening soon, we have been very busy.
- b. The pre RV cost is \$1495 for the first Trust, additional Trusts are \$1195.
- 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 \$300 referral fee for new clients.

20. **What if I just wait and exchange in my own name and SSN?**

- a. Setting up your Contract Trust pre RV guarantees your privacy and anonymity, and shows the bank you are prepared for asset protection.
- b. As far so-called Skeleton or Temporary Trusts, they are revocable and unfortunately, the bank becomes you partner.

So Jim, you always have some interesting tidbits to share. What's on your mind today?

Jim contact info.

Carol close.

Like many of you, I have heard that we must have a Trust when we exchange, so I urge you to be prepared. Typical turnaround time right now is about a week, but I expect that to be considerably longer post RV. Our Contract Trusts are well priced at only \$1495 for a new clients, and \$1195 for additional Trusts or family members. We also offer a 20% referral fee for any fully paid new Trust.

We also offer 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.

That's about it for today. Thank you Judy for your assistance. Thanks to all of you for your attention and participation. We'll be back in couple of weeks. Enjoy your weekend and may it be a blessed one for all of us.

Again, my name is Carol Werelius, 425-820-8090
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GO RV!