

**CONTRACT TRUST CALL**  
**OCTOBER 26, 2019**

**RECORD**

**DISCLAIMER** Hello Everyone. Today is Saturday, October 26, 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** Thanks for joining us today. In the 5 plus years that I have been doing these calls, yes, more than 5 years, we have talked about Contract Trusts and why we feel they are the best method for you to protect and manage your assets. As many of you know, we offer several different versions of the Contract Trust. Today, we would like to talk about another Trust in our lineup. We feel it will make managing multiple entities easier. As always, we welcome your questions and comments, so feel free to raise your hand if you have a question.

1. There are many reasons to have a Trust and there are many different Trusts available. There are statutory and common law Trusts. They may be revocable or irrevocable. All offer protection in one way or another, some are better for one thing, some are better at other things. Most of the people on this call are currency holders and expect to realize a great return once the RV happens, so we will address some of those issues.
2. We offer a Non-grantor Irrevocable Common Law Contract Trust. I know it's a mouthful, so we just call it a Contract Trust. It is technically a Business Trust, but we have opted to drop the word Business from the title as it sometimes causes confusion. If your trust says Business Trust, its ok and still very valid.
3. Use of the Contract 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. 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. While those are extreme examples, I'm sure you get the point.

4. Unlike a revocable grantor trust, the Contract Trust is irrevocable. In a typical revocable grantor 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.
5. Irrevocable means no one can tell you to terminate the Trust to pay someone else, so your assets are protected from anyone trying to get money from you personally.
6. One of the major benefits is that the Contract Trust contract allows you to be the Trustee of your own Trust. You retain full management, control and benefit of the assets of the Trust. There is no one between you and your money.
  - a. You can name your spouse as co-Trustee.
  - b. One or both of you can become Executive Trustees, allowing one to act on behalf of the other.
  - c. You can name your children as Successor Trustees.

- d. You can designate 1 or more Successor Trustees, specifying that they both become Trustees at the same time, or one goes before the other. You can change this designation at any time for any reason.
  - e. You can add a “bloodline” clause, to ensure that your family’s generational wealth does not fall into other’s hands.
  - f. You can also add a “spendthrift” clause so no one can hypothecate or pledge his or her possible share of Trust income.
7. In our opinion, the Contract Trust is the best asset protection vehicle for this RV. The Contract Business Trust is a common law document and is legal in all 50 states and common law countries. It is private, not required to be registered in any state (except Nevada), unless it is actively engaged in operating a business. Because it is not registered, there are no annual fees.
8. We have heard for years that this RV will NOT be a taxable event at the federal level. No one knows about taxes at the state level, so we encourage you to get a mailbox in a tax free state like Wyoming, Washington, Texas or Florida. You can use this mailbox as the Domicile or home of your Trust outside of your home state. It is a common practice with corporations and LLCs as well. You do not have to go to that state, nor does the Trust bank account have to be in that state. That ensures your privacy.
- a. Keep in mind that Zim is a bond so it may be taxed. Be prepared. We suggest you set aside 35% - 50% in a tax account. If the proceeds are taxed, you’re covered. If not, you reap a sizable harvest next year.
  - b. Many of us have heard that the IRS and Federal Reserve are going to close their doors post RV. That may be so, but as of right now, they are still in operation and as such the Trust is considered a taxable entity.
9. We obtain an EIN as part of our service. It confirms that the Trust is an entity unto itself and the assets belong to it, not you. It is required when opening a bank account.

- a. The EIN letter and it says you have to file a Form 1041. If the Trust earned less than \$600, there are no filing requirements. You will have to file taxes on any earned income. Hopefully, your charitable donations will offset any earnings.
10. The Contract Trust is very easy to create and operate. First off, you must name your Trust. Strangely enough this is a bit of a stumbling block for many. Anything that sounds good to you is OK. Try for a strong sounding name. DO NOT use your surname or sequential numbering, for exsmple, My Trust #1, My Trust #2, etc. That would indicate there is more than one.
  11. You will need a domicile for the Trust. As I mentioned earlier we suggest domiciling in one of the 7 tax free states. We have sourced a few mailbox rentals in Wyoming and Washington that will allow up to 5 Trusts per box for about \$125 per year.
  12. This Trust is a contract and one cannot contract with one's self, so you need to name a Creator for the initiation of the Trust and Appointment of the First Trustee. This person has no further obligation, liability, responsibility or authority in the Trust.
    - a. Although the Creator's role is very important, it is also very short lived. The Creator can be anyone; a sibling, adult child, or friend. It should be someone who lives near you, as you both need to sign several pages of the Trust before a Notary.
    - b. Many are concerned that the Creator will have too much information about their assets. This is one of the most common issues I hear. To paraphrase from the Trust Preamble... " the Exchanger (you) does hereby bargain, assign, convey, exchange and deliver to the Creator, who now temporarily takes and holds title thereto in the Trust Organization; all that certain property of the Exchanger as listed in Schedule A. This exchange does not constitute a sale or gift." The Exchange is on paper only. We prepare all the paperwork for you.
    - c. You are exchanging your assets with the Creator for \$21 and 100 Trust Certificate Units. We usually suggest you "lend" the Creator the

\$21 or take him or her to lunch, so they're not out anything by assisting you. You both have to initial Schedule A, but no amounts or values of anything are written.

- d. Once the Creator has initiated the Trust and appointed the first Trustee, (you) he or she exits the contract.
13. You may then appoint your spouse as Second Trustee. You MUST name at least one Successor Trustee, to continue to manage the Trust if you die or become incapacitated.
  14. We create a Trust personalized for you and give you access to our members only website. The website has a plethora of information to guide you and help you write minutes as you work with and become familiar with the Trust.
  15. We offer many specialized Trusts. The standard asset protection trust for your currencies, real estate trusts, vehicle trusts, equipment trusts, personal property trusts, investment trusts and charitable trusts. We know 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 would like to suggest the use of a Maintenance Trust. For instance, the Maintenance 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. The Maintenance Trust is priced the same as our secondary Trusts, but for the next 30 days, or until the RV, whichever occurs first, we are offering a special discounted price of \$1195.

Jim comments

Jim close

Thanks again for joining us today. We appreciate your attendance and attention. My name is Carol Werelius, my number is 877-333-5018 and my email is [info@indicatorinformation.com](mailto:info@indicatorinformation.com).

