

CONTRACT TRUST CALL
NOVEMBER 23, 2019

RECORD

DISCLAIMER Hello Everyone. Today is Saturday, November 23, 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. My name is Carol Werelius and my associate 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 RV, 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. As always, your questions are welcome. Just dial *6 to raise your hand.

We need to address some housekeeping issues today. As clients, you are invited to join our members only website. We have formatted it as members only for several reasons. In the past, we have been hacked several times, to the point that the whole site goes down. It requires hours of work to get it back up and threatens the security of our database. The information we have provided for you has been created for use with our Trusts. We are not interested in providing free help to those who have purchased someone else's trust. We do have some Public information on the site, with an applet to contact us for more information. We have recently become aware of someone providing their login information to others. While we appreciate the opportunity to work with new clients, we cannot afford to let others view the site without participating in our products. If nothing else, it's not fair to those of you who have purchased your Trusts and thus access to the website.

For those of you who have been listening to me for a while, you know that I

started these calls while working with Jim Jenkins. Many of you know that Jim has had some serious health issues in recent years and has since retired. I speak with Jim and his wife Judy often. They are fine and anticipating the RV just like the rest of us. I'm sure Jim wouldn't mind if you called to say hello, but if you are interested in Trusts, he will refer you to me, so please call me or Jim Knox first.

We are still hearing talk about the RV/GCR being ready to go any time now. We encourage you to be ready. Being prepared is always a good idea.

1. We have been told, "I think I'll just get a so-called skeleton trust from the bank and go from there." We try to advise against that. The Bank IS NOT your friend. The trust they create for you will more than likely name THEM as the Trustee, giving them the power to do whatever they deem appropriate, probably without your approval. They can do a lot of damage to your account in the 30 - 90 days it takes you to get a proper trust created.
2. People have asked "Why should I establish a trust rather than continue owning currency in my own name & Social Security number?"
 - a. Owning anything in your own name and Social leaves your assets exposed. If you were to exchange in your own name, then have an accident or heart attack on the way home, all that money would be at risk, would be taxed at the federal rate of 40%, after the \$5.49 M exemption. The assets could be tied up in court for years, and your family may not see any of it for a very long time.
 - b. Many have recommended that all your accounts should be labeled as POD, or payable at death. That takes care of the probate issue, but is still at risk of taxes and becomes public information.
 - c. Having assets in your name leaves you wide open for lawsuits and others wanting you to part with your new found wealth.
 - d. On the other hand, if you exchange into a properly crafted Trust, and then have an accident or heart attack on the way home, the assets REMAIN in the Trust, with no probate, or estate taxes. It will be managed by the Successor Trustee(s) that you previously named.

3. Obviously, a properly crafted Trust is the better alternative to either a skeleton trust or exchanging in your own name. While there are probably hundreds of other trusts out there, we feel our Common Law Contract Business Trust provides you with the most flexibility and asset protection than any other.
4. We realize that Common Law Contract Business Trust is a mouthful, so we refer to it merely as a Contract Trust. While it is in fact a true Business Trust, we have dropped the word Business as it has caused a lot of confusion, especially with bankers. It retains all of the benefits and advantages of the Business Trust.
5. There are many 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. You get to be the Trustee. You can name your spouse as Co-Trustee, and your children as Successor Trustees.
 - c. As Trustee, you are in total control of the Trust and its assets. There is NO ONE between you and your money.
 - d. 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.
 - e. The Contract Trusts that we prepare are irrevocable.
 - f. The Contract Trust is born to live, not to die as conventional statutory trusts.
6. Another advantage of our Trusts is that they do not require a lot of paperwork. We suggest you write at least one minute per year. You should document major purchases.

- a. They are private and do not have state or federal filing requirements unless they are actively operating a business. Some states, like Nevada, are now requiring recordation and a resident agent.
 - 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 either of us for an invite code to join.
7. Several weeks ago we re-introduced our Management. For those of you who have read our Multi Trust account information, it was called a Maintenance Trust. Some folks took the word Maintenance a little too literally so we decided to rename it Management Trust. The Management Trust simplifies some of the issues associated with multiple properties and multiple vehicles.
- a. Imagine three different Real Estate Trusts, each owning its own property. One may be your primary residence, one may be a vacation home and one may be an apartment building, with 12 units. They all require attention, be it maintenance, insurance, property taxes, collecting rents, etc. In this scenario, each Real Estate Trust would have its own bank account to pay for these expenses and a repository for the rental income. It could prove to be a headache, wouldn't you agree? We have a solution and a way to simplify these issues. We suggest a Management Trust as a less complicated and convoluted way to handle these issues.
 - b. A properly funded and prepared Real Estate Management Trust can simplify issues by contracting with the individual Real Estate Trusts to control the funds, disperse funds, collect funds much like an escrow account. It is responsible for all the issues related to property ownership. It will have ONE bank account, with bank cards and checks to be used when appropriate. It can also be managed online. Banking and accounting will be less of a hassle. This Trust, like most

of your other Trusts, will be funded by your Mother Lode Trust.

- c. The same principle applies to multiple Vehicle Trusts. Let's face it, cars do not require bank accounts or EINs, but they do require management; insurance, license tabs, inspection, maintenance, tires, oil changes, gasoline cards, etc. A Vehicle Management Trust would contract with the individual Vehicle Trusts to handle these chores from one bank account. This Vehicle Management Trust would also be funded by your Mother Lode Trust.

Jim

8. The question of purchasing property has come up a lot lately. While you can borrow from your Mother Lode Trust, it does require a loan or security agreement and payments of some kind. We feel the easier and cleaner way to do this is to have your Mother Lode Trust create and fund the Real Estate and Vehicle Trusts. The advantages of this are less paperwork, no loan payments and the property is titled to the Trust at the time of purchase. We have recently been told that someone else said one trust cannot fund another trust without it being taxed. While that may be true of some statutory trusts, it is not true for the Contract Trust. We have the expertise to do this.
 - a. Many of you have your eyes on property now, but obviously cannot purchase it until the RV. We suggest that you purchase the property in the name of the Trust that you wish to set up. I have done this purchasing cars and was not questioned about the Trust or any Trust documents.
 - b. If you are entering into an escrow agreement for real property, you may also use your own name followed by "and other assigns". We will try our best to have your completed Real Estate Trust by the time your escrow closes.
9. Whether you are funding Real Estate, Vehicle or Management Trusts, we suggest you put enough money into it at the outset. For instance, if you are planning on a single piece of Real Estate, you need only the one Real Estate Trust. It needs to have enough funds to cover taxes, insurance, maintenance and the like for many years to come. Plan for it now.

- a. If you are planning on multiple pieces of Real Estate, you should consider the Management Trust to take care of all of those expenses, so be sure to plan accordingly.
10. A awhile back one of our clients suggested investing the money from these Trusts as a way to keep them self sustaining. That's not such a good idea, as it may put the principal at risk.
- a. You may want to charge yourself rent for that new house, or lease payments for that new Porsche. That really helps with establishing that you do not own that property personally.
 - b. Another way to self fund is to borrow and then invest (Jim explain).

Jim talks about other stuff.

Carol

11. When considering your estate planning options, we encourage you to look at our Triple Play.
- a. The Triple Play 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.
 - b. While we don't sell insurance, you might consider talking with your agent about beefing up your policies, adding umbrella insurance, annuities, nursing home insurance, medicare supplemental and end of life policies.

Like many of you, we have heard that we must have a Trust when we exchange, so we urge you to be prepared. Typical turnaround time right now is less than a week, but we expect that to be considerably longer post RV. Our Contract Trusts are well priced at only \$1995 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 are also offering a 40% off special until the end of November.

That's about it for today. Thank you Jim for your assistance. (Jim adds his contact info).

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.

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