

CONTRACT TRUST CALL #98
FEBRUARY 8, 2020

DISCLAIMER **RECORD** Hello Everyone. Today is Saturday, February 8, 2020. 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.indicator information.com](http://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.

HOUSE-KEEPING We are going to start today with some housekeeping. On our last call we learned that the Box Shop on Cheyenne WY has closed its doors. This has caused some paperwork for those of you who have domiciled their Trust in Cheyenne. It does not require a lot of paperwork, and we have samples of all of it on our website. You must get a new domicile at any of the three places we suggested to you. When you get that new address, you must complete IRS Form 8822b. A completed sample is on the website. Mail that form for **all** of your trusts to the address in Ogden Utah, listed at the bottom of the form. You also need to create a Minute for the Trust (all of them if you have more than one) noting the change of address. There is also a sample Addendum to the Abstract of Trust noting the new address. We felt using the Addendum would be easier for you than creating

a new Abstract that needs to be notarized.

Speaking of Minutes, now is a good time to remind you to do your End of Year Minutes. Its important to let your future Trustees know what you've done. If you have purchased additional currency, be sure to note it on the Trust. Samples are on the website.

Most of you are aware of our members only website, www.indicatorinformation.com. You are invited to join when you purchase a Trust. The content was designed for our Trusts only. Do not share your password. Jim has endeavored to pack that site with as much information as you are ever likely to need. There is a wealth of information available for your use, from simple explanations and resources to complex strategies. It's a resource that is part of your Trust, so take advantage of it. Jim, would you like to add anything about the website?

Now that those items are out of the way, let's talk about Trusts. Jim and I get calls all of the time about what to do, how to do it, how to follow the terms of the trust and not get in trouble, etc. We thought we'd address a few of those issues today. We invite your questions, so please *6 to raise your hand and we'll address your concerns.

1. As we all anticipate this long awaited RV, we have to think about asset protection. Unfortunately, there will be those who wish to take away what you have so long hoped to possess for their own greed and power. The Common Law Contract Business Trust that we provide will protect your assets from those who wish to take it away from you. 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.
2. There have been some questions lately about whether one needs a Trust at all. From a practical, thoughtful standpoint, you do need a trust to protect

your assets. From a banking perspective you MUST have a Trust (or other entity) if you are to receive more than one million dollars. In order to achieve the goals of asset protection, privacy and anonymity you must properly execute and operate it. We provide all the information you need to get started and to keep you operating within the rules.

3. Obviously, you must understand the very basics of the Contract Trust before you can effectively work with and within it. It is vitally important to read the Contract Trust and all of the supporting information we provide. Read it, and read it again. The Trust is only 10 pages, written in everyday language and easy to follow. It even provides for instruction to the Trustees.

The Trustees shall regard this instrument as their guide, to be supplemented from time to time by regulations, by-laws, and/or resolutions of the Board to cover contingencies that may arise and which are recorded in the Minutes.

4. You need to sign the Trust documents where indicated. Where there is a signature line with a name printed below it, it must be signed. If there is a signature line without a name under it, as in Certificates 3 and 4, don't sign it. Several pages have to be signed in front of a Notary. They are all clearly marked. The only people that must sign before the Notary are the Creator, and the original Exchangers, typically you and your spouse, if you have one. You do not have to take your Successor Trustees.
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. The big question for most is "How do I get money out of the Trust?"
- a. There are actually several 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 refinance that you control. In this 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 and funding secondary Contract Trusts from the Motherlode Trust 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.
 - f. While we have mentioned taxes and taxable income, that may all change. We have heard that the IRS and the Federal Reserve will cease to exist, as we know them. We have also heard that we will be changing to a flat tax system. No one knows for sure at this juncture.
7. Some people are concerned that the Contract Trust may be difficult to operate. No, it is not difficult at all.
- a. There are, however, a few important considerations. For instance, when signing ANYTHING relating to the Contract Trust, you must sign it as “John Doe, Trustee, and not as otherwise.” That statement limits personal exposure.
 - b. As I mentioned earlier, 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.
 - c. The Contract Trust package comes with complete operating instructions. Our members only website has a vast offering of minutes and resolutions for your use.
8. The issue of taxation has come up again and again. We have all heard the actual exchange is SUPPOSED to be a non-taxable event, but I don’t think anyone knows for sure. Even if it isn’t taxed federally, it may be taxed by the individual States. If you live in a state that imposes a state income tax,

you may wish to domicile your Trust in one of the 7 states that does not levy such a tax. The legal use of a rental mailbox, either in your home state or a no tax state gives you added privacy and anonymity.

9. That brings up another question. Will I have to go to the domicile state to exchange or do my banking? No, you do not. As Trustee, you will exchange and manage the Trusts's business from wherever you choose, in as many places as you choose.

10. Many of us have waited a long time for this RV to occur. We have plans for new houses, new cars, helping out friends and family, not to mention our humanitarian goals. How do we get the money to do all of these things? We are not accountants, CPAs or tax professionals. More importantly, we don't know what restrictions we may be under post RV. All I can offer you now is my opinion on a possible scenario for some immediate needs.
 - a. "Mr. Banker, I now have x million dollars. I would like you to put \$100K into a new personal account. I would like to take \$7500 cash with me when I leave today, as well as a 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. 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.

11. The Contract Trust that we prepare is a Common Law instrument. Our right to contract is guaranteed by Article One, Section 10 of the Constitution.

In Dec. 2019 at the World Economic Forum in Davos, President Trump announced that 187 federal judges had been appointed to interpret US laws for a return to Common Law of the original US Constitution. In his State of the Union Address he stated there would be many more judges appointed.

12. Your Contract Trust is yours, a very private instrument that is, frankly, nobody's business but yours. Although we suggest you do not show it to banks, etc., sometimes you have to. As currency holders, we all expect to be working with a host of professionals to help us manage the assets of the Trust. These professionals **MUST BE FAMILIAR** with the Contract Trust and the rules and regulations applicable to Contract Trusts in general. They must therefore apply themselves to the study of those rules and regulations applicable to the Contract Trust, before they can do justice to the Contract Trust operation. They will have to do their homework. Be advised that most professionals are not interested in learning anything new, but if they want your business, and they will, they will have to learn it. No one attacking the Contract Trust with intent to distort it in any way can be successful if the Contract Trust Organization is properly represented.
13. Jim's thoughts...and contact info.
14. 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 \$1495 for additional Trusts or family members. We also offer a \$300 referral fee for any fully paid new Trust.

That's about it for today. Thank you, Jim 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.

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