

## CONTRACT TRUST CALL #144

# RECORD

**DISCLAIMER** Hello Everyone. Today is Saturday, June 11, 2022. 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. We are Indicator Information Institute. My name is Carol Werelius and my partner Jim Knox and I have these calls every 2<sup>nd</sup> and 4<sup>th</sup> Saturday of the month. These calls are recorded and available on our website, [www.indicatorinformation.com](http://www.indicatorinformation.com), and some of our older calls are on YouTube. As we get closer and closer to our expected exchange, 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. \*6 to raise your hand.

The best way to protect and preserve assets is give them up, while retaining all the control. This concept of non-ownership is sometimes a little difficult to comprehend. But, think about it! Why own assets and their potential liabilities when someone else can own them for you? That "someone else" is a Contract Business Trust Organization. This is a legal entity (person) created from common law.

1. We have all heard about various ways and methods to protect our assets. There are corporations, LLCs, revocable living trusts and irrevocable trusts. They are all viable, some are better suited than others depending on the situation.
2. A Common Law Contract Business Trust is a non-statutory unincorporated

business organization created by a legal document, known as a declaration of trust. It is a unique agency of commerce that offers numerous advantages in the areas of estate preservation and asset protection. It is recognized by the IRS as a UBO.

3. It is important to explain the different names by which a Common Law Contract Trust is recognized:  
"When the express (written) trust is used as an agency of commerce it is commonly known as a Business Trust. Because of its development and common use in the State of Massachusetts it is often called the Massachusetts Trust and because it finds its basis in the law of contract and does not depend on any statute for its existence it is sometimes called a Common Law Trust." *Shumann-Heink v. Folsom*.
4. We have found that calling it a Business Trust might cause some confusion, particularly at your bank. If they think or assume it is a business, they may ask for your business registration number with the state, etc. As a Common Law Contract Trust whose sole "business" is estate planning and asset protection, it is not necessary to register or file with your State. However, your state may require you to register your Common Law Contract Business Trust if it is actively operating as a business. For that reason, we prefer to call it a Contract Trust.
5. It derives its power, privilege and benefit not only from the Common Law, but from the Laws of Contract, which are guaranteed to us all under Article 1, Sec. 10 of the U.S. Constitution which guarantees our right to contract and our right to enter into a contract.
6. To further illustrate this point about the right to enter into contracts, I would like to share the following quote which is extracted from a Supreme Court ruling:

"LIBERTY, as guaranteed in the due process of the Fifth and Fourteenth Amendments of the United States Constitution, has been held to denote not merely freedom from bodily restraint, but also THE RIGHT OF THE INDIVIDUAL TO CONTRACT, to engage in any of the common occupations of life, to acquire useful knowledge, to

marry, establish a home and bring up children, to worship God according to the dictates of his own conscience, and generally enjoy those privileges long recognized at common law as being essential to the orderly pursuit of happiness by free men," United States Supreme Court 47 L Ed 2d at 983.

7. Case law on Common Law Trusts goes back hundreds of years. The first major decision was *Smith v. Anderson*, Chancery Division 247 in 1780. That decision upheld the validity of Common Law Trusts. This decision stands today and has not been modified by the courts. This means that so long as the Constitution guarantees our right to contract, the Common Law Contract Trust will remain valid.
8. An important aspect of the Common Law Contract Trust is that it is recognized in any country that observes common law. In the United States we call them Common Law Contract Trusts even though they are not really trusts, but contracts in trust format.
9. One of the biggest advantages of the Contract Trust is that you can be the Trustee. Thus, there is no one between you and your money. Some trusts specifically state you may not be the Trustee of your own Trust. There are numerous court decisions on the issue of the Investor/Exchanger being the same person. The following is a Supreme Court decision that addresses the issue directly:

"The legal title, possession and control of property may, by declaration of trust, be passed irrevocably from the grantor [investor] to himself as trustee with the same effect as if the trustee receiving the conveyance had been another person." *Becker, Collector of Internal Revenue vs St. Louis Union Trust Co., et al., Executors*, 296 VS 48 (193,)).
10. The Contract Trust is irrevocable. An irrevocable trust is one which cannot be changed or amended after its creation. Once assets go into the irrevocable Trust, they belong to the Trust and are no longer the property of

the former owner. A properly crafted irrevocable Contract Trust can provide the best possible asset protection from creditors, as you no longer own those assets. The assets in an irrevocable trust are not considered part of one's estate at death, thus not open to probate, estate or inheritance taxes.

11. The Contract Trust is formed by the writing of the Trust Indenture. The Indenture specifies all of the main parameters of the Contract Trust. In that document the powers of the Trustees are specified, the Trust Certificates are issued, the Trustees are named and generally all items are addressed that are reasonably necessary to start a business. Upon the completion of the writing of the Trust Indenture, it is signed and the Contract Trust is a legal operating entity.
12. The Trust is a contract. One cannot contract with oneself, so a disinterested third party, a Creator, is used. The Creator initiates the Trust and offers to exchange the property of the Investor for \$21 and 100 Trust Certificates and appoints the First Trustee, typically the original Investor. The Trust Certificates have no value and since the assets are transferred to the Contract Trust by exchange there is no tax consequence. After these tasks are complete the Creator has no further duties or rights to the Contract Trust. This part is complete when we send your personalized Contract Trust.
13. 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. The First Trustee may then appoint a second Trustee, they in turn may appoint a third Trustee.
14. The Trust can operate with only one Trustee, but may have more. We do not suggest more than three, as too many "bosses" may not be able to make a unanimous decision. You must name at least one Successor Trustee.
  - a. The Trustees must unanimously agree on all actions of the Trust. We provide an Executive Trustee Minute that allows one or all Trustees to act for and on behalf of the others.
15. Most Trusts are created in contemplation of death, as opposed to the

Contract Trust which is created in contemplation of life. The Trust has a limited life of 25 years, and is renewable every 25 years. You will die, but the Trust will not. In the event of a Trustee's death or incapacity, the Successor Trustee assumes his or her duties immediately. There is no waiting, no filing or court approval necessary. Your Trust Certificate becomes Null and Void, and must be re-issued by the remaining or Successor Trustee.

16. The Trustees may, at their discretion, elect from among their number a President, Vice-President, Secretary, Treasurer and/or any other officer(s) deemed expedient. Any Trustee may hold two or more offices simultaneously; their duties being those such as are customary or as prescribed by the Board of Trustees. They may employ agents, executives and other employees or designate third persons to perform services or to hold funds for special purposes.
  - a. An example would be appointing a President to act in the Trustee's stead when purchasing property.
17. The Trustees may fix and pay reasonable compensation for any or all officers, employees or agents in their discretion, and may pay themselves reasonable compensation for their services as Trustees.
18. 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.
19. As with any legal entity, 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.

Jim, what do you have to say today?

Contract Business Trusts have withstood the tests of time and the courtroom. They are approved by the IRS and have been used for generations by many of the wealthiest families in the US to preserve their fortunes. In a nutshell, this is the most powerful asset and estate preservation method known.

One would expect such a powerful asset protection vehicle to be very expensive. An attorney crafted trust, which does NOT offer this level of protection would likely cost many thousands of dollars. Our Contract Trusts are very reasonably priced at just \$1995 for your first, or Motherlode Trust.

Jim close.

Thanks to all of you for your time and attention. My name is Carol Werelius. My number is 877-333-5018 or 206-915-4236. I am available between 10 and 6 Eastern time, Monday through Friday. The best way to reach me is by email. [info@indicatorinformation.com](mailto:info@indicatorinformation.com). Have a happy and safe weekend! Go RV and God Bless America!

\*\*\*\*\*  
Time fillers...

We like to think of this first Trust as your Motherlode Trust. This trust functions much like the trunk of a tree with deep roots and therefore, the Motherlode Trust should be the most secure and private account that you set up. Never purchase anything from this account. So, you may ask, How do I function? That's where the Management Trust comes in. It will receive funds from your Motherlode Trust so that it can function as your purchasing or lending arm. Hypothetically, it functions much like the branches of a tree; it has more exposure and it is easier to break or penetrate, but it is an account that connects to some levels of the outside world.

The Management Trust simplifies some of the issues associated with multiple projects and properties. You should place adequate funds in this account to easily cover your prospected purchases and to cover several outgoing expenses for easier manageability.

View your Management Trust as the entity that can manage money to purchase

large ticket items like vehicles, land and homes, and to disperse funds into other areas of your Trust Structure. It will fund other accounts such as: Charitable Trusts, Real Estate Trusts, Vehicle Trusts, Annuity Trusts, Home Maintenance Trusts, etc., as well as your Personal checking account for daily and personal expenses.

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. 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. The Management Trust would be a less complicated and convoluted way to handle these issues.

A properly funded and prepared 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 of 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.

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, gasoline cards, etc. A Management Trust would contract with the individual Vehicle Trusts to handle these chores from one bank account.

\*\*\*\*\*

1. The Common Law Contract Trust has many features and benefits.
  - a. You can be your own Trustee. No one between you and your money.
  - b. Is irrevocable. Provides superior asset protection.
  - c. The Trust owns the assets, you manage them No one can take them from you.
  - d. Insures financial privacy. No one knows what you have.

- e. Valid in all 50 states Can operate anywhere.
  - f. Avoids state income tax if correctly domiciled in a state that does not levy such a tax.
  - g. No double taxation. Unlike a corporation or LLC.
  - h. Is eligible for an EIN. We obtain one for you.
  - i. Provides for future generations You name your own successor trustee.
  - j. Limits liability. You don't own assets, no one can take them from you.
  - k. Avoids probate. No waiting, no attorneys no government intervention.
  - l. Avoids death and inheritance taxes. Your estate remains intact upon your death.
  - m. Estate preservation provides for generational wealth.
  - n. No government/state registration. Provides for your privacy.
  - o. No annual fees. Saves time and money.
2. Your Contract Trust consists of the Contract and Declaration of Trust. Specific minutes and notary pages. Schedules for your assets. Extra Minute pages for future use. Certificates and Abstract of Trust. Access to our website with complete instructions and essays on uses of Business Trust in commerce. Legal opinions on uses of the Trust. Sample minutes and documents for your use.
  3. We obtain an EIN for the Trust name you choose.
  4. Your currency gets into the Trust by the initial exchange.
  5. You can add more currency by Minute, as you acquire it.
  6. You do not have to share how much currency you have, just the types of currency.
  7. There are several ways to get money from the Trust. You can borrow, draw a Trustee salary, get reimbursed for expenses, take a distribution or fund new Trusts for specific reasons.
  8. Initially, all you need is a Motherlode Trust, which holds your currency and

will be the Trust you use at your exchange. You will probably want additional Trusts in the future such as Management Trusts, Real Estate, Vehicle, Annuity, Charitable etc.

9. We have been in the Trust business over 30 years each.
10. Neither of us is aware of any negative issues our clients have experienced because of the Trust.

\*\*\*\*\*

11. There seems to be a lot of confusion regarding the actual exchange. From what we understand, there will be special exchange centers all over the country, set up specifically for those of us in Tier 4b, the so-called Internet Group. If you are on this call, you are in 4b. If you bought your currency from an authorized dealer, you will probably get an email from Wells Fargo or HSBC, advising you of the safe-link website to set your appointment. Don't be alarmed if you don't get the email. Several of the "gurus" will be posting the safe-link website when they get it. We will send a blast email saying the Eagle has landed, with links to the above "gurus". From what we've read, the exchange centers will offer higher contract rates than the banks.
12. Some folks are still talking about going to their local bank to exchange. There are some drawbacks to this. You will be dealing with people in your community. Do you really want anyone to know you suddenly deposited millions of dollars? I think not. Also, the rates offered by the banks are said to be substantially lower.
13. More than likely you will be told what to bring to your appointment. At the very least, you will need;
  - a. Valid ID (2 pieces)
  - b. Proof of address, usually 2 recent Utility Bills
  - c. Abstract of Trust (Have a copy of your Trust but do not offer it)
  - d. Tax ID Letter
  - e. Your currencies, neatly bundled and labeled
  - f. Currency Tally Sheets for each currency
  - g. Exclusions to your NDA

- h. Bank Account Info, if you have it.
  - i. Currency Receipts, if you have them.
  - j. Gift Letters (to you)
14. I have prepared a binder that includes all of these, plus a short bio and humanitarian plans that I have. I don't have any projects of my own, but intend to fund projects others have presented to me. I also have a 90 day and 6 months needs budget.