

CONTRACT TRUST CALL #130

September 25, 2021

RECORD

DISCLAIMER Hello Everyone. Today is Saturday, September 25, 2021. 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 2nd and 4th Saturday of the month. These calls are recorded and available on our website, www.indicatorinformation.com, iqdcalls.com and YouTube. We will also email links after the calls. 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.

As prudent adults, we are faced with things many of us have never thought about. One of the big issues is security; personal, professional and financial. That brings up more questions; attorneys, tax planners, accountants, financial advisors and estate planners. How are we going to manage and protect our assets? There are all kinds of entities available to us; many of us have all listened to webinars, seminars and conference calls, not to mention advice from friends. We have been told about Corporations, C Corps, LLCs and Trusts. I recently read that there are over 30 different trusts available to us. It is enough to make any one of us shake our heads and say “Whoa!”.

As a student of asset protection for many years, I have run across most of them. While all of these different entities are viable, they all have their pros and cons as well. Some are more suited to one need than others. Some have advantages the

others do not. Some have better tax options than others. Some offer complete privacy, some do not.

What I would like to discuss here is one entity that I feel rises to the top. That is the Common Law Contract Business Trust. We typically do not refer to it as a Business Trust, because too many people are confused by the word business. It is a different entity altogether than any statutory trust. It is more accurately defined as a “contract in trust format”.

Trusts are either statutory or common law. Statutory trusts depend upon statutes or laws for their authority. Common law trusts derive their authority from the common law and the right to contract guaranteed by Article I, Section 10 of the U.S. Constitution.

A properly created irrevocable Common Law Contract Trust allows you, as the Exchanger/ Investor, to become the Trustee of that Trust; thus, guaranteeing complete control and privacy. A common law instrument, the Contract Trust is designed to hold and protect assets. It is a valid, legal entity that may be used as a business organization if desired. Most states do NOT require recording, filing or a business license unless the Trust is actively engaged in commercial or retail business.

So, how does a Contract Trust work? You form a Contract Trust Organization through a properly prepared contract, Trust Organization Minutes and Trust Organization Agreement, called an Indenture. Oversimplified, you exchange your assets with the Contract Trust Organization for Certificates; the Trust itself then owns both legal and equitable title to the assets. After the Trust is created, you may apply for a Tax Identification number (TIN or EIN) from the IRS so you can open a bank account in the name of the Trust.

There exist three ways to transfer property from one person to another person; gift, sale or exchange.

The creation of a Contract Trust is not by gift, or sale, but an exchange,

The word 'exchange' is to be given its ordinary meaning. It is a word of precise import, meaning the giving of one thing for another, requiring the

transfers to be in kind and excluding transactions into which money enters either as a consideration or as a basis of measure." Trenton Cotton Oil Company v. Commissioner, 147 Fed(2d)33.

No gift taxes are paid because no gift was made. You do not own the Contract Trust Organization. You personally no longer own the assets. You and your family members or associates may be appointed Trustees who manage, control and direct the desired benefits of the Contract Trust Organization's assets.

The creation of a Contract Trust is not that dissimilar from corporations, the main difference being that corporations derive power from statutes of the state in which they are created. The participants between Contract Trusts or corporations are similar in function though dissimilar in name. A corporation has an incorporator, Contract Trust has a creator. These are natural persons representing the documents until the entities (corporation or Contract Trust) are legally consummated.

Both entities have investors: persons who invest assets; real or personal property. Corporations have stock holders, Contract Trust have certificate holders. There are two major differences between corporations and Contract Trusts. First, stockholders of a corporation are owners and as such own the underlying assets. In the Contract Trust the Certificate Holders do not own the underlying assets, as the Trustee's hold title to assets of the trust. The second difference is the election by the stockholders of the Board of Directors who in turn appoint officers. In Contract Trusts, the Creator appoints the First Trustee whereupon the First Trustee appoints second Trustee and they in turn appoint subsequent trustees.

As you and succeeding Trustees pass on, no death taxes or probate costs are assessed on the Contract Trust Organization's assets. The Contract Trust Organization does not end when you pass away. It ceases only when the Trustees decide it should be dissolved.

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.

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.

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.

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 when someone else can own them for you? That “someone else” is a Contract Trust Organization. This is a legal entity created from common law.

It is a valid, legal organization that has no ownership, it only owns assets. It is controlled and directed by one or more Trustees. You exchange your property into the Contract Trust Organization. The Trust Indenture Agreement allows for the Creator to choose anyone to be First Trustee, even you. You now manage and control those same assets that you once owned.

Some of the benefits of the Contract Trust are:

- Financial Privacy
- Complete Control of the Assets
- Elimination of Probate
- Elimination of Transfer, Estate, Death and Inheritance Taxes
- Elimination of Attorney Fees, Administrator and Executor Fees
- Limited Liability
- Effective Shielding From Levies, Liens and Litigation
- Preservation of Assets
- The Life of a Contract Trust Can Be Extended Indefinitely or Terminated at Any Time by the Trustees.

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.

Jim

Thanks to all of you for you for you time and attention. My name is Carol Werelius. My number is 877-333-5018 or 425-820-8090. I am available between 10 and 6 Eastern time, Monday through Friday. The best way to reach me is by email, info@indicatorinformation.com. Have happy and safe weekend! Go RV!