

**CONTRACT TRUST CALL**  
**July 27, 2019**

**RECORD**

**DISCLAIMER** Hello Everyone. Today is Saturday, July 27, 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 on the call today. My friend Judy and my partner Jim will be joining me on the call today. We invite your questions, so please \*6 to raise your hand and we'll address your concerns.

As we wait for this RV to occur, it seems everyday we hear another date prediction; tomorrow, next week, etc. We get excited for Tuesday through Friday, yet the weekend arrives and we are all still waiting. It is getting very tiresome! In the meantime, we try to prepare. Hopefully, many of us are done with our preparation, Trusts done, packages complete, humanitarian projects defined. In this case, as with most opportunities in life, we will be rewarded for our due diligence and preparation. However, the longer this drags out, the more people are learning about the prospect of a big return on the purchase of foreign currency. As with any sizable asset, you need to protect it. If you have such an asset, you can be sure someone will try to take it from you. You need some prudent planning and the best vehicle to provide the asset protection you seek. We feel that our Contract Trust is that vehicle.

**Good day, Judy, are you ready to get started?**

- 1. Carol, it sounds as if you are suggesting we need to set up a Trust as soon as possible. Why establish a trust now, rather than continue**

## **owning currency in our 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. 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. The current estate and gift tax exemption is \$11.4 million per individual. That means an individual can leave \$11.4 million to heirs and pay no federal estate or gift tax, while a married couple will be able to shield \$22.8 million. The annual gift exclusion amount remains the same at \$15,000. Right now, that amount is considerably more than most of us have to deal with, however, post RV, that would be a drop in the proverbial bucket.
- c. For the ultra rich, these numbers represent planning opportunities. For everybody else, they serve as a reminder: Even if you don't have a taxable estate now, you still need an estate plan.
- d. Having assets in your name leaves you wide open for lawsuits and others wanting you to part with your new found wealth.
- e. 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.

## **2. There's lots of talk out there about other kinds of trusts. Why is a Contract Trust so superior?**

- a. Most other Trusts are statutory in nature, meaning they get their power and strength from locally (usually state) enacted laws. They are often recorded in that state or county, thus no privacy. They are sometimes required to pay a state recording fee every year.
- b. This is also true of most corp's, LLC's, Statutory Trusts.

- c. The Contract Trust that we employ is a creature of common law. It gets its power and benefit from the US Constitution. Most states require recordation only if the Trust is actively involved in commerce. This guarantees your privacy and you don't have annual recording fees.

### **3. Is Common Law still valid?**

- a. While some attorneys may try to convince you otherwise, common law is still very valid, and it is rumored we will be returning to common law soon.
- b. Common law is the system of law which is based on judges' decisions and on custom rather than on written laws.
- c. The basis for the term "Common Law Trust" in this instance is not that the organizations are creatures of common law, but they are created under the common law of contracts and do not depend upon any statute. They are not organized under any statute and they derive no power, benefit or privilege from any statute.
- d. All of the various states of this country, except for Louisiana, have founded their systems on the common law of England and have adopted its rules of "Stare Decisis", under which unwritten law is made through case law decisions.
- e. We are guaranteed the right to contract from our Constitution. Since the Contract Trust springs from contract, common law, there is an inalienable right to use them freely.

### **4. Why aren't banks, attorneys & CPAs more familiar with Contract Trusts?**

- a. As I mentioned, Contract Trusts are common law. Common Law is rarely taught in our colleges and universities anymore.
- b. Some attorneys are aware of the Massachusetts Business Trust, the

basis for our Contract Trust, but once in place, they make no money from them. It's been said that the file cabinet full of Revocable Living Trusts are the attorneys retirement!

**5. What are the 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. As Trustee, you are in total control of the Trust and its assets. There is NO ONE between you and your money.
- c. 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.
- d. The Contract Trusts that we prepare are irrevocable.

**6. What is the difference between an Irrevocable & Revocable Trust?**

- a. An irrevocable trust cannot be changed or revoked. You exchange those assets, period. They are no longer yours.
- b. A revocable trust can be changed or terminated at any time. Because of this, the IRS may invoke the "claw-back" provision, putting your assets back into your estate, where they can be added to your personal estate. Very important consideration at tax time.

**7. Why are Contract Trusts so ideal in controlling, vs. personally owning assets?**

- a. At the creation of the Contract Trust, you irrevocably exchange your assets, in this case your currency, into the Contract Trust. You no longer own them, but you have complete autonomy in managing them. You don't own the assets, so no one can take them from you.
- b. Once you exchange your assets, you give up ownership. By the terms

of the Trust, you are eligible to become Trustee. We feel that if you were able to put those assets together, you are the most logical choice to continue to manage them.

- c. Once again, there is NO ONE between you and the money.

## **8. Is difficult to start a Contract Trust?**

- a. The creation of the Contract Trust is pretty straightforward. The Creator initiates the exchange of assets into the Trust, issues Trust Certificates to the original Investor/Exchanger and appoints the First Trustee.
- b. The Creator, a separate natural person from the Investor/Exchanger, whom you chose, initially represents the Contract Trust and bargains with the Investor/Exchanger to exchange \$21 and 100 Trust Certificate Units for the Investor/Exchanger's property. That is how your currency becomes part of the Trust.
- c. The Creator then appoints the First Trustee, either himself, or another of his choosing. *That person could be, and typically is, the original Investor/Exchanger.* Once the First Trustee is appointed, the Creator exits the Contract Trust.
- d. You are asked to complete a simple application, providing us with the info we need to create your personalized Trust. We do all the rest, including obtaining and EIN for the Trust. We also provide an Abstract of Trust, which, along with the EIN, are usually sufficient to open a bank account.

## **9. What happens to the Contract Trust when I die?**

- a. The Contract Trust is born to live, while you unfortunately, will pass, sooner or later. When we prepare your Trust, we ask you to name at least one Successor Trustee, who will take over when you die. No probate, no inheritance/estate tax, no attorneys.

**10. Can a Successor Trustee be changed due to unforeseen circumstances?**

- a. That person or person can be changed at any time, for whatever reason.
- b. We can also add a Spendthrift clause so future Trustees and Certificate Holders can't compromise or obligate the assets of the Trust.
- c. You must designate those choices on your application,

**11. Is that all I have to do?**

- a. While we believe the actual currency exchange will not be a taxable event on the federal level, it may be taxable in your state. If you live on a tax that levies a state tax, we suggest you obtain a mailbox in any of the 7 states that do not. We recommend Wyoming or Washington. We have sources in both states that will allow up to 5 Trusts per mailbox for about \$125 per year.

**12. Now that I know how my currency gets into the Contract Trust, how do I get money out of it?**

- 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 secondary Contract Trusts 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 Business 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.

**13. I have heard that this exchange may not be a taxable event. How can I take advantage of the one time tax break?**

- a. I think most of us have issues that we need to address post RV. Whether it be outstanding debt, a new car, helping out friends, we don't want to pay taxes if we don't have to. So, at the exchange, how about this scenario? "Mr. Banker, I now have x million dollars. I would like you to put \$100K into my personal account. Here is my account number/wiring instructions. I would like to take \$7500 cash with me when I leave today, as well as a debit/credit 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.

**14. You mentioned up to 5 Trusts. Will I need more than one?**

- a. While you probably don't need additional Contract Trusts at this point, you will most likely want to diversify post RV.
- b. We like to call this first Contract Trust your Mother Lode Trust. It is and should stay private, known only to you and your Private Banker/Wealth Manager.
- c. We suggest that you never purchase anything from this Trust, and never do online banking from this Trust. You won't even need checks or a debit card.
- d. Once all the initial business of the RV has settled down, you may wish to create additional Contract Trusts for specific needs.

**15. I have heard that we should have a separate account for the dinar, apart from other currencies. Does that mean another Trust?**

- a. The important word here is "account". One Contract Trust can own several bank accounts, so the answer would be no. However, you can have additional Trusts if you feel you want to set it that way.
- b. The Trust can have as many bank accounts in as many banks and locations as you feel appropriate. Personally, my husband and I will have our Mother Lode Trust accounts at several different banks.

**16. Will you be available to answer my questions or prepare additional Trusts?**

- a. Like many of you, we plan to retire after the RV. We will stay in business for about 6 months post RV. We do have staff that will continue to produce Trusts, if necessary. Our website will archive all of these calls, as well as questions and answers as they arise.
- b. I was recently called out for our planned retirement, in the event we are needed for questions and concerns. In all the years we have been



preparing Contract Trusts, it has been extremely rare to get questions, even in as short a time as 6 weeks. Other than additional business and referrals, we rarely have further questions or concerns with our clients. That's one of the reasons we created our private website, [www.indicatorinformation.com](http://www.indicatorinformation.com)

**17. Do I have to contact you to write minutes or update my Trust?**

- a. Several years ago, when my husband Jay and I started in the Trust business, Jay said, "We can't just give people the keys to this F16 Jet without giving them an owners manual", so we created several booklets about the Trust, including "How to Operate". Your Trust includes membership into our private, members only website, [www.indicatorinformation.com](http://www.indicatorinformation.com), which gives you access to those booklets, including sample minutes for your use.
- 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. We also provide extensive legal back up, including Am Jur 2<sup>nd</sup> on Business Trusts.

Thanks Judy, I think we've covered a great deal of material today. I know Jim has a lot to add, as well as explaining our special pricing offer. Take it away, Jim.

Close Jim

Close Carol

Thanks for your attendance and attention. We'll be back in 2 weeks.

My name is Carol Werelius, phone number 425-820-8090. I am in the central time zone and I take calls between 9 and 5. The best way to reach me is by email. [Info@indicatorinformastion.com](mailto:Info@indicatorinformastion.com).

Have a great weekend and go RV!