

**CONTRACT TRUST CALL**  
**August 24, 2019**

**RECORD**

**DISCLAIMER** Hello Everyone. Today is Saturday, August 24, 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** Here we are again. We appear to be so close the this RV actually occurring, that Jim & I have decided to switch gears a little bit and talk more about getting to know the Contract Trust and how to operate it. All of our clients have access to our exceptional website, which has a plethora of information for your use. Included in that information are 5 booklets that my husband Jay and I wrote in 1998. We felt that if we created this powerful asset protection for our clients, we had to teach them how to use it. Our Book 4 is titled How to Operate and Use A Contract Trust Organization, A Procedures Guide. We would like to discuss that today. Please feel free to write down any questions that you have and press \*6 on your phone to raise your hand.

1. Title and ownership to property may be held in many different ways in the United States; by individuals, Trusts or agencies of commerce. Since most people acquire their assets over a long period of time, ownership is quite often as varied as the property. The nature of the ownership you have to your property, or how you hold title to it, is the determining factor of how it will pass from you to your heirs. If the property owner holds the title the wrong way, the ultimate disposition of the assets and the tax consequences may cause the estate plan to fall far short of accomplishing its objectives.
2. As Dinarians and currency holders, we all have a common interest. We are expecting a windfall and wish to protect it from anyone who might want us to part with it and to make sure your family doesn't suffer from an estate tax haircut. That's where the Contract Trust comes in.
3. If an unincorporated trust organization has ownership and title to assets, then eventual death would not affect the ownership and title of the assets. This legal entity is the Common Law Contract Trust which could be controlled and utilized by the family members for as long as desired.

4. You can die as a pauper with your family's blessing, because they get the maximum benefits from the estate which was intended for their enjoyment and welfare. If there are any particular benefits resulting from keeping the ownership and title of the assets in your own name, we have failed to discover them in the course of our research. The only need relating to property in this life is the control and use of that property. That control can be accomplished through the Contract Trust, using simple operational procedures and relationships.
5. The family members will need to learn to assume different roles from that of individuals, concerning financial matters. Instead of signing checks or other instruments as an individual, the family member may be signing the same name as Trustee of the trust organization. These new roles are not difficult to learn. The following suggestions are intended to familiarize the Trustees and other trust organization members with the basic concepts and principles of operating a Contract Trust.
6. One of the goals in using a Trust is privacy. We suggest you choose a name that means something to you, but not one that others will associate with you. That's why we discourage you from using your surname or a name similar to business you may have. You must remember at all times that the Contract Trust Organization you are accepting **is not your trust**. It is an entity unto itself. You are the Trustees only. When it is necessary to discuss the Contract Trust, simply say you are the Trustee, Manager, President, Treasurer, etc., of that Contract Trust, responsible only for managing the assets of the trust organization. The Trust Indenture itself is a Contract binding the parties involved to that contract agreement. The Trustees possess legal and equitable title to the Contract Trust's assets and are obligated to manage those assets as if they owned the assets in their own name. This means the Trustee will apply the same rules in the conduct of Contract Trust Organization business as he or she did when he or she owned the property outright.
7. It is important to keep in mind the fact that the Contract Trust, like an individual, is due absolute privacy. Therefore, none of the activity of the Contract Trust (through the trustees) should be made public.
8. The trustees will never be under the direction of anyone or anything other than the trust indenture and the minutes of the Contract Trust.
9. One of the many benefits of the trust is the privacy it provides. We strongly suggest that you should protect your privacy by using a mailing address other than your residence. Use of a private mailbox is a good, inexpensive solution.

10. Unlike a corporation or LLC, the Contract Trust need not be registered in your State unless you are conducting business. Because it is not recorded, we don't need to check for name availability when requesting the EIN. 99.9% of the names that are chosen are OK.
11. 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.

## JIM

12. The Contract Trust was set up to protect your property. Some will claim that you and the Contract Trust are the same person. This happens when someone claims that you, as Trustee, are liable for actions of the Contract Trust Organization. The same is claimed when you, as Trustee, are blamed for actions of the Contract Trust Organization. **Trustees are not personally liable** on contracts they signed as Trustee for the Contract Trust. You must be sure to properly sign everything...Acting Strictly in the Capacity of Trustee, and Not Otherwise".
13. However, there are ways in which another person can attach Trust assets. For example, if you co-mingled your property or personal funds with trust property or funds, you may void the Trust. In other words, if it cannot be determined whether you or the Contract Trust is the owner of the property, then the court can declare that the trust is your "alter ego" (which is the same person) and the Trust veil can be pierced.
14. As in most situations, there's a right way and a wrong way to establish the Trust. Most of you are all aware that we use a third party Creator to initiate the Trust. Note that I said third party. You **CANNOT** be the Creator of the Trust you wish to create. The Creator has only two functions, (a) he or she trades the Contract Trust Certificate Units for property of the Investor (you) , and (b) he or she appoints the First Trustee. This insures that the relationship between the Creator, Investor and Trustee will be kept at "arm's length" and in the ordinary course of business.

15. Property is held in joint tenancy by the Trustees for the Contract Trust and not as tenants in common. This prevents the possibility that the property could be divided where one person could withdraw the portion to which he holds title - thereby destroying the Contract Trust, making it a partnership under the law and rendering it taxable as such. It also establishes that property held for the Trust will be exclusively used for the benefit of the Contract Trust.
16. When property is conveyed into the Trust it is documented on Schedule A, which lists the types of currency you wish to put into the Trust. We do not list the amounts or perceived value. This insures there are no recognizable capital gains. Over the years we have found that it generally takes \$100 to open a bank account, so we add the statement "\$100 and other cash deposits". Schedule A is initialed by the Creator and Investors.
17. Schedule B lists the names of the Contract Trust Certificate Unit Holders and the number held. This page is also initialed.
18. Schedules may vary for secondary Trusts.
19. If you choose to put the Trust into a Safety Deposit Box, make sure it is in the name of the Trust. Since the trust organization does not die, the safety deposit box will be available to the Successor Trustee, without impound.
20. We do provide Trusts for property other than currency. Book 4 suggests the right and wrong way to convey property, stocks, securities and other titled property.
21. We have spoken with many of you who wish to put your houses and even cars into the Mother Lode Trust. We highly recommend against this practice. Real estate and vehicles are potentially high liability items. Putting them in the same basket as the currency/money puts everything at risk.

## **CAROL**

22. The Contract Trust is set up to protect your family's assets. It is important that the family knows about the trust and its operation. One day your children will succeed you as Trustee, it's a good idea to educate them as you operate the Contract Trust.
23. We suggest that husband and wife participate jointly in the operation of the Contract Trust. As Trustees, your decisions must be unanimous. You both need become thoroughly familiar with the Contract Trust's activities, and your responsibility to maintain it.

24. If the husband takes over operation of the Contract Trust Organization, the wife may be left unaware of the importance of the Contract Trust and its operation, possibly placing the family estate in jeopardy upon the husband's death.
25. Most couples name their children as Successor Trustees. They also need to become thoroughly familiar with the Contract Trust's activities, and their future responsibility to maintain it.
26. If the children are minors, you will need to name an Interim Successor Trustee to manage the Trust until such time as the children are mature enough to handle it. We suggest naming the children to an advisory board of trustees so they can gain valuable knowledge and experience in managing family activities.
27. Speaking of maturity...many of you wish to "set up" your kids with money gained from the RV. Some of these "kids" may be in their 30s or 40s. I dare say most of them will not be able to effectively manage the kind of money that may be involved. We have suggested that if you want to give Junior 2 million dollars, that you create and fund Junior Trust for him. He can be a Trustee. Name YOURSELF as Executive Trustee. He cannot do anything without you. When you feel he has gained the maturity and the knowledge necessary to manage that kind of money on his own, you can resign as Executive Trustee.

## JIM

28. Once the Contract Trust has been established, it is important to remember that all business transactions are to be agreed to and voted upon by the Board of Trustees. Then you must document all Trust activity with Minutes and have all Trustees sign and date the minutes. This action assures that the Contract Trust is kept in force and all trust assets are protected and represents authority for actions taken.
29. Numbering all Minutes consecutively and legibly creates an ever-ready reference. Be brief but include all pertinent information. Be sure all of the Trustees sign the minutes so the authority for your actions is recognized.
30. Begin a Minute with "At a regular meeting, with all Trustees present, it was decided . . .," or similar wording. We have provided hundreds of sample minutes on our website for your use.
31. You must write at least one Minute annually.
32. Your Mother Lode Trust will more than likely be used to manage the bulk of funds, and probably not be making purchases, but you should record that you

will be using the services of XXX Wealth Management Company, YYY Accounting firm, etc.

33. For your secondary trusts, you may wish to document all transactions up to an amount the Trustees deem prudent and responsible, with a general Minute, authorizing the transactions. For example:

Minute No. \_\_ of ABC Associates, Contract and Declaration of Trust

At a special meeting of the Board of Trustees, with all Trustees present, it was suggested and unanimously agreed by the Trustees to document by Minute all purchases and/or transactions exceeding \$1,000 (*or whatever amount you choose*).

It was also agreed that all purchases and/or transactions below that amount are hereby authorized by this Minute No. \_\_, and receipts from those transactions will be marked "Minute No. \_\_" (*or stamped with the Trust Seal*) accordingly.

Date and sign

34. This Minute may be unnecessary if all purchases are made by check, credit card or debit card held in the name of the Contract Trust.

## CAROL

35. We've talked about the Creator, who has two jobs, first to initiate the Trust and then to appoint the First Trustee to administer and manage the Contract Trust. The Creator then steps away. You, the First Trustee are then charged with naming additional or co-Trustees who have equal duties, rights and responsibilities as you. This co-Trustee is generally the spouse.
36. The two of you then name your Successor Trustees. These Trustees have no duties, rights or responsibilities until some event, i.e., the death or absence of a Trustee. When choosing a successor, your criteria should include that such person be trustworthy, willing and capable of doing the job. You may choose as many successor trustees as you like, however, they have no rights as trustee until they succeed to the position of trustee. You can specify that the Successor Trustee all of of your bloodline and/or add a Spendthrift clause so no Successor can hypothecate the assets of the Trust for their own benefit. **YOU CANNOT BE YOUR OWN SUCCESSOR TRUSTEE.** You **MUST** name a Successor Trustee.

37. As a convenience, the Trustees may elect one or more Executive Trustees to have the authority to act for and in behalf of all the other trustees.

Jim, is there anything else you'd like to add?

We've given you a great deal of information today. We look forward to our next meeting. In the event we DO RV soon, please remember that both Jim and I will be taking a couple weeks to handle our own business.

Thanks again for your attention. My name is Carol Werelius, my number is 425-820-8090, my email is [info@indicatorinformation.com](mailto:info@indicatorinformation.com).

GO RV!