

TRUST DEFINED

To conform to the current laws and regulations and be totally effective in elimination of liability, defer taxation and not be subject to capital gains, our Trusts were researched and copyrighted to be:

Non-Grantor, Irrevocable, Complex, Discretionary Simple, trusts with a Spendthrift provision, to provide the utmost legal protection and tax advantages for all our clients.

1. Our Trusts were written to comply with Scott on Trust Law, the Restatement of Trusts, and the Internal Revenue Code. This was done so the Trust corpus would be protected from turn over orders by any court or judge, except for fraudulent conveyance.
2. The non-grantor designation exempts the Trust from any alter ego status that brings into action the management or beneficial enjoyment by the Settlor. If the creator of a trust has management of the corpus or is a beneficiary of the trust it becomes a so-called living trust which has limited benefits and no tax advantages or asset protection.
3. To have asset protection the Trust must be Irrevocable and non-grantor. This Trust separates the Settlor or Creator from the corpus of the Trust. When assets are irrevocably transferred to Trust they may never revert to the one who is making the endowment or the Settlor of the Trust. Under these terms and conditions upon creation legal separation has occurred and the corpus may not be breached by claimants of the Settlor or endower.
4. To serve the Beneficiaries of the Trust and protect the corpus the Trust must be Complex in nature with terms and conditions that plainly and fully state the powers and limitations of the Trustees. Complex Trusts are governed by terms and conditions that may not be altered or changed by the Trustees and the purpose of the Trust is established once and for all time. The Trustees may also make income declarations stated further herein.
5. To comply with the law of perpetuity the Trust must also have a Simple provision. This provision states the Trust must end after a period not to exceed 21 years but at the sole and absolute discretion of the Trustee may be renewed for an additional 21 years. It further is defined in the Trust Law the following, "A Trust shall continue until the **date of the Trust agreement made at the time of creation until it reaches 21 years**. At such time the Trust shall terminate, and Trustee shall distribute the Trust principal and any accumulated income as the Trustee(s), in his or her absolute and sole discretion, shall determine to be in the best interests of the beneficiaries. The Trustee(s) may, at any time the Trustee(s) elects and can legally do so, and in the Trustee's absolute discretion, extend the term of this Trust for any period. Notwithstanding anything in this agreement to the contrary, the

Trust herein created shall not continue beyond 21 years after the death of the last of the currently living descendants of those beneficiaries living at the time of the creation of the Trust. On the expiration of such period, the Trust created shall terminate, and the Trust property shall be distributed, in the Trustee's sole discretion, to those persons privileged to receive the income at the time of termination." This is perhaps the hardest provision for attorneys to comprehend.

6. The Spendthrift Provision of the Trust is the critical element of the document in that no Spendthrift Trust Corpus may be penetrated to reach the assets of that Corpus. Case law upholds this and has upheld this over the many long years of its existence and will continue to uphold it. No judge or court may issue a turnover order against a properly constructed Spendthrift Trust. The sole exception to this rule of law is fraudulent conveyance to avoid judgment; and this only applies to a Trust created after litigation has been filed not before.
7. The Discretionary terms and conditions of the Trust are established to insure the absolute and sole discretion power of the Trustee in determining the distribution of the Corpus assets to the Beneficiaries of the Trust. If any single percent of the Corpus is designated to be held or distributed to any one or more Beneficiaries, the Discretionary designation of the Trust would be invalid. This in no way would affect the asset protection but could adversely affect the taxable structure of the Trust. The Internal Revenue Code is explicit and clear regarding the Discretionary nature of a Trust plainly stating that if a fiduciary has the sole and absolute authority to designate something as Extraordinary Dividends or Taxable Stock Dividends, and that is paid to the Corpus of the Trust, and not subject to distribution, this is not income to the Trust according to Rule 643.

Thus, all our Trusts were created and written to be Non-Grantor, Irrevocable, Complex, Simple, Discretionary, Spendthrift Trusts and Copyrighted for our use. Paul Rosen Attorney at Law is the sole owner of the Company that sells the Copyrights so that it is legal to offer the documents under his law license.