

	<p><i>"Do not put your trust in money, but put your money in Trust."-- Oliver Wendell Holmes, Sr. (1809-1894)</i></p> <p><i>"The man who dies rich... dies disgraced." -- Andrew Carnegie (1835-1919)</i></p>
	<p><i>Zoom View Note: You can make the host's shared screen much larger by clicking the View Options at top of screen, then hover over Zoom Options, and click on 200%.</i></p>
2019-11-13 4pm	<p align="center">Brilliance In Commerce - Trustee Study Group</p> <p align="center">Private Irrevocable Trust contract</p> <p align="center">Chapters 13 & 14 of the book The Art of Passing The Buck</p> <p align="center">~ Trustee Differences & "Trusting"</p>
*6 to unmute	Agenda for 1-2 hour Study Group
16:00	<p>1) Greetings - This is a Brilliance In Commerce NLT Study Group Meeting for all of us who have purchased a trust or made a down payment for a trust & our co-trustees. It is Wonderful if you can please type your questions to the chat window as this is downloadable after the meeting and I can make sure to re-ask the questions to Randall to get additional clarification for us. This takes the place of taking notes on questions asked, so I deeply appreciate all of you who are asking questions in the chat window.</p>
Disclaimer:	<p>The NLT trustee study group is not intended as legal or financial advice. I am not an Attorney or CPA and do not offer legal or financial advice. We all do research and share open source information. The private exchanges between us are for personal and educational purposes only and are under the protection of free speech. We may discuss ways to avoid taxes, but never suggest evading taxes.</p>
16:10	<p>2) Hot Topics anyone? Trust Issues/Problems anyone is currently trying to solve - please share in the chat window and we can address these topics first.</p>
16:20	<p>3) Any questions from previous study group meetings?</p>
16:30	<p>4) Questions from this month's reading Chapter 11 & 12 of Passing the Buck?</p>
16:40	<p>5) Quickly organize topics & get a quick input from everyone on priority & start working through the list of topics</p>
15 minutes before ending	<p>6) Quick summary of what could not be covered & ask for volunteer to summarize questions for emailing to Randall - for future BIC seminar topics</p>

<p>Thank you Randall & Taansen & Thanks to Peter for posting!</p>	<p><i>In Fellowship and Cosmic Communion – Deep appreciation to Randall and Taansen and Also a thanks to Peter for posting the links BIC myaccount page</i></p>
<p>Previous Recordings of NLT Study Group</p>	<p>The previous recordings of our study group should be in everyone's BIC account login page, https://brillianceincommerce.com/my-account ... you put in your username & password to enter.</p>
<p>Dominique's Main Mantra Regarding Trusts</p>	<p><i>"There is no greatness where there is no simplicity." ~ Leo Tolstoy</i></p>
<p>Dominique manages - Simply Soulful Service Ltd. LC</p>	<p>Link for Spread sheet - I will add to chat window so you can click on it. 2019.12.11 Trust Ledgers&Logs.xlsx - I recommend downloading into excel or any other spreadsheet program you use.</p> <p>If you are currently using a previous month's spreadsheet, simply drag into your active excel sheet the tabs you want to Add to your existing master excel sheet.</p> <p>My plan is for Every month's new edition to contains all the tabs.</p> <p>My company is Simply Soulful Service Ltd. LC - I accept FreeWill donations @ dominiquehacketttrustee@protonmail.com PayPal account. You can also send me a text - I am on "Telegram" as SSSLtdLC.</p>
<p>Dominique's Spreadsheet added tab</p>	<p></p>
<p>PDF version</p>	<p></p>
<p>Black Law's Dictionary - Trusts</p>	<p>https://www.dropbox.com/s/hvprgzg4kaelwd/Trusts%20Black%20Law%20Dict.pdf?dl=0</p>
<p></p>	<p>Please email me dominiquehacketttrustee@protonmail.com after class, ff you are not able to download this excel sheet - please email me, and I'll send you the drop box link.</p>

<p>Spreadsheet Overview:</p>	<p>So briefly in the spreadsheet that I keep issuing an updated edition, we have: Instructions: general notes how to use this excel sheet 2019.12.11 Notes: Today's talking points StudyGroup Schedule: Links to past Randall Seminars & NOT PUBLIC NLT Study Group classes PreviousMonthNotes: Starting from April-2019 forward Document log: so we can track the papers that make up our trust entity Trust financial ledger: to help us track the trust corpus, Charges and Credits Linked Statement of Financial Position FinStatForBenn: Financial Statement for Beneficiaries Trust Minutes: has questions on left side & right side set to print Trust Mintes2: sample Cont.Education: list of books to read Tips&Tricks: per the recommendation of Fellow Student CA Probate Code On Trusts: California (2019 internet clips) LawOfTrusts: Bogert 6th Edition - beginning study notes BIC NLT Notes: What we will be learning how to do as trustees Banking: Combined Randall & PassTheBuck & Dominique's notes Modifying Trusts: Beginning study notes - not done yet... SpellCheck: Fellow Student notes on how to use Spell Checker to help with Documents CommPrefer: To help with working with a team & Pet Peeves list</p>
<p>NLT Study Group Format - 2 Parts - Book, then stop & review extras</p>	<p>This month, I will do the same as last month, we'll talk and discuss the book, and then, I'll stop the recording and re-start the recording when we discuss my excel spreadsheet offering for this month. This way, for future reviews, we will have mini recordings of just the excel sheet tab discussions separate from our Trust study notes.</p>
<p>Respect Copyright: Please purchase your own copy</p>	<p>Today we are discussing chapters 13 & 14 of The Art of Passing the Buck Vol I. The Art of Passing the Buck Vol 1 & 2 are copyrighted. So what we are instructing our study group that everyone purchase your own copy of the book & this group plans to discuss specific topics to make sure we all understand what is being shared in this book. We are engaged in this study group in Making a Life for ourselves - and sharing our most important capital - Human Capital.</p>
<p>The Art of Passing The Buck</p>	<p><u>Here is the link if you have not purchased your copy yet - we intend to study Vol I and then go on to Vol II - https://passingbucks.com/</u></p>

<p>Shameless Plug for my Nonprofit: 2020 Almanac for the Modern Age - nets \$35 dollars to Santa Barbara Wellness Center</p>	<p>https://www.amazon.com/2020-Almanac-Modern-Age-Appointment/dp/1947580558/ref=sr_1_2?keywords=2020+almanac+for+the+modern+age&qid=1575907312&sr=8-2</p>
	<p>If anyone in our class would like a pdf copy to print for themselves, send me an email and any donation amount you can ~ paypal to santabarbarawellnesscenterinc@gmail.com - Much appreciated and I'll give you the drop box link for the print ready pdf.</p>
<p>How to sign documents as Trustee:</p>	<p>__your full legal name_____, Trustee for __your full trust name - ending with Trust & your Trust Date - ex. John Thomas Doe, Trustee for The Future Is Bright Trust (12/12/2012)</p>
<p>Chapter 13 Trustee Differences - Grantor Trustee</p>	<p>Grantor Trustee: Frequently Grantor & Spouse, in Living Revocable Trusts ~ Who are the Main Beneficiaries, grows assets & assumes consideration for contingent Beneficiaries. PAYS INCOME TAX ON TRUST PROFITS.</p>
<p>Independent Trustee</p>	<p>individuals working for a trust that are paid a percentage or remuneration for services. Example Santa Barbara Bank & Trust - Independent Trustees are Lawyers, and SBB&Trust receives a percentage of the Trust Distributions to Beneficiaries - you deposit money, you become a beneficiary based on your deposit amounts.... P. 123 Independent Trustee, chiefly interested in ensuring the accounting and legalities of the Trust, is not attentive to the personal interests of the Beneficiaries.</p>
<p>Adverse Trustee</p>	<p>Adverse Trustee: We All Need at least ONE.... The Adverse Trustee has a greater interest in the Trust and the Grantor can not remove them. Has more Powers than an Independent Trustee. Adverse means, the Trustee can go Against the wishes of the Grantor if this is in the best interest of the Trust and the Beneficiaries.... this distinction came about because of John D. Rockefeller and Standard Oil.</p>
<p>Adverse Trustee Test:</p>	<p>In our trusts, the Grantor relinquishes all responsibility, so the "adverse" trustee possess a greater percentage of the Trust than the Grantor....P.123 - when the trustee is "adverse" aggressive investment activity (to make the trust assets grow) is more likely.</p>
<p>DEEP DIVE... INTO VOL 2 AND BLACK LAW'S DICTIONARY...</p>	
<p>Pause... dive into Vol 2</p>	<p>Let's get an understanding of Trust Capital Units (TCUs) and Units of Beneficial Interest (UBIs)</p>

	Randall choose NOT to use Trust Capital Units (TCUs) which are found in both Private Common-Law Trusts and Irrevocable Statutory Trusts - found in both the Management Trust and the Business Trust. And Asset Holding Trusts have both TCUs and UBIs.
UBIs in our Trusts	Why did Randall choose UBIs?... Passing the Buck feels that unless Beneficiaries express and interest in the Trust, or demonstrate maturity, they should hold UBIs instead of TCUs.
Adding Complexity:	By Management or Business Trust giving Asset Holding Trusts TCUs, they become Beneficiaries and pass the distribution on to the holders of UBIs.
	We can put a friend on a UBI, and further Grantor can specify that only direct descendants can hold TCUs and TCUs can not be assigned outside of the family, while UBIs may be more broadly applied.
	Capital = trust corpus
	Interest = profit
	The corpus becomes principle and generates profit.
TCU	TCU gets both interest and part of the corpus when trust is dissolved or when trustees decide to distribute some of the corpus.
UBI	UBI usually gets only profit - But since our trusts only have UBI - the UBI % based on 100 units would be used when the trustees dissolve the trust.
Example of TCU & UBI	Asset Holding Trust has asset of residential property. Residential property sold, corpus is thus liquidated and <i>profit is generated (in this example)</i> . The Management Trust is Trustee for Asset Holding Trust, holding 51% TCU. Asset Holding Trust remaining 49% TCU can be distributed or reinvested. Majority of funds pass to The Management Trust. The Management Trust uses the funds to put in a stock portfolio to generate a cash flow for the Management Trust TCU holders.
Irrevocable Statutory Trusts - Gift Tax	There are No Certificates for asset exchanged into an Irrevocable Statutory Trust - when people put assets into this kind of a trust they frequently pay a Gift Tax
PASS THROUGH ACCOUNTING	If you are given a TCU in exchange for an asset you put into a trust, then when the TCU is "cashed out" any profit you receive back would have a tax due.
UBIs in our Trusts	UBIs do NOT Require an exchange and May or May Not have a cash value. This depends on the circumstances stated in the Indenture & what the Board of Trustees decides.
	TCUs are not trade-able - the only "buyer" is the Board of Trustees.
	TCUs are frequently not allocated properly.
	The Administration of the Certificate Register requires expertise and dedication
Fair Market Value	At the time the asset is put into a Trust: per court case noted on Vol 2 Page 102 - Fair Market Value, for the purposes of the internal revenue law, is the price at which a seller is willing to sell at a fair price and a buyer willing to buy at a fair price, both having reasonable knowledge of the facts in the trade.

On the Grantor's Side - exchange has no "fair market value" to be reported	When the asset is placed in a Trust - there is no reportable or determinable value to be declared. per court case noted on Vol 2 Page 102 - Property received in exchange for other property has no "fair market value" for the purpose of determining gain or loss resulting from such exchange when owing to the condition of the market, there can be no reasonable expectation that the owner of the property, through wishing to sell and any person wishing to buy will agree upon a price at which to trade unless one or the other is under some particular compulsion.
	When TCU are cashed out, then the value can be ascertained.
	IRC recognizes that a taxable status exists when transferred into the Trust Organization, but any tax payment is deferred until distribution from Trust Organization to the Beneficiaries.
	Another court case on Page 103: No tax is assessed on the conveyance of property into a corporation [or a Trust] because the exchange constitutes a tax-free trade and exchange for an unknown realized gain or loss.
UBIs & TCUs - deferred tax	Trust Certificates which have only a contingent future interest of indeterminable value are not taxable. The tax is not evaded or avoided, it is merely deferred.
	Generally speaking, the income tax law is concerned only with realized losses, as with realized gains.
	Taking an asset back out of a Trust will have tax consequences, so why remove it, if you can use it while it's in the Trust? This is why the Trust gets renewed by the Trustees, once every 21 years... or so...
from Vol 2 - Page 104	If a Beneficiary has received trust payments, and the Beneficiary is a taxpayer, they need a K-1 from the trust. Our Private Irrevocable Trust is a passthrough accounting system. Choose your counselors wisely, for this mater a mentor is needed.
From Vol2 - Page 46	...the IRS recognizes that any two Trusts are separate and distinct if they have different Grantors and Beneficiaries.
From Vol2 - Page 47	If... for example, a young couple planning to buy a home and agreeing to place it in a Trust immediately upon closing, would be wise to set up a Trust one or two years before the planned acquisition.... Even having a with minimum activity is more beneficial than no trust at all.
TCUs and UBIs	reflect units given in exchange for assets or given to "officers" - Executive Manager - and Beneficiaries who have not joined in the exchange transaction.
Audit of Trust	Beneficiaries have the right to see the Trust books and ask for an audit. We suggest those who hold UBIs are only on the Asset Holding Trust. This limits their ability to get into the Management or Business Trust where substantial cash flow occurs.
For the Trust to have it's own identity	Recommend the Trust have it's own rented private mail box - at something like a UPS Store - which can accept any kind of package and sign for deliveries. (Do NOT recommend a PO Box)
the meaning of Indenture	"a contract binding a person to work for another person during a given time."

Black Law's Dictionary - Indenture	A deed to which two or more persons are parties, and in which these enter into reciprocal and corresponding grants or obligations towards each other; whereas a deed-poll is properly one in which only the party making it executes it, or binds himself by it as a deed, though the grantors or grantees therein may be several in number. 3 Washb. Real Prop. 311; Scott v. Mills, 10 N. Y. St. Rep. 355; Bowen v. Beck, 94 X. Y. 89. 40 Am. Rep. 124; Hopewell Tp. v. Am- well Tp., 0 N. J. Law, 175.
Black Law's Dictionary - Organization	A group of people, structured in a specific way to achieve a series of shared goals. Relationships within an organization are determined by its structure and are typically based upon role and function. As the external environment can affect and be affected by organizations, they are considered open systems. 6th Edition As term is used in commercial law, includes a corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a common interest, or any other legal or commercial entity. UCC Section 1-201(28).
Black Law's Dictionary - Natural Law	A rule of conduct arising out of the natural relations of human beings, established by the Creator, and existing prior to any positive precept Webster. The foundation of this law is placed by the best writers in the will of God, discovered by right reason, and aided by divine revelation ; and its principles, when applicable, apply with equal obligation to individuals and to nations. 1 Kent, Comm. 2, note; Id 4, note. See Jus NATURALE. The rule and dictate of right reason, showing the moral deformity or moral necessity there is in any act, according to its suitability or unsuitableness to a reasonable nature. Tayl. Civil Law, 99. This expression, “natural law,” or jus naturale, was largely used in the philosophical speculations of the Roman jurists of the Antonine age, and was intended to denote a system of rules and principles for the guidance of human conduct which, independently of enacted law or of the systems peculiar to any one people, might be discovered by the rational intelligence of man, and would be found to grow out of and conform to his nature, meaning by that word his whole mental, moral, and physical constitution. The point of departure for this conception was the Stoic doctrine of a life ordered “according to nature,” which in its turn rested upon the purely supposititious existence, in primitive times, of a “state of nature;” that is, a condition of society in which men universally were governed solely by a rational and consistent obedience to the needs, impulses, and promptings of their true nature, such nature being as yet undefaced by dishonesty, falsehood, or indulgence of the baser passions. See Maine, Anc. Law, 50, et seq.
Black Law's Dictionary - Natural Law cont.	We understand all laws to be either human or divine, according as they have man or God for their author; and divine laws are of two kinds, that is to say: (1) Natural laws; (2) positive or revealed laws. A natural law is defined by Burlamaqui to be “a rule which so necessarily agrees with the nature and state of man that, without observing its maxims, the peace and happiness of society can never be preserved.” And he says that these are called “natural NATURALE EST QUIDLIBET 805
	LOOK AT VOL2Notes Tab
	Now... a Quick look at Our Trust

Look at Trustee "Powers" In Randall's Trust P.3	Any natural person, domestic or foreign person, corporation, limited liability company, trust company, trust, bank, or trustee of another trust, may be a Trustee appointed and/or succeeding at any time no matter the nature, scope, or intent of the person's functions, powers, or activities with respect to the trust.
P.4	8.5 The Trustees are not required to obtain authority, or approval, of any government agency or any court in the exercise of any power conferred hereunder, nor make any reports or accounting thereto.
P.5	9.1 The Trustees shall regard this indenture as their complete and sufficient guide and governing instrument in the performance of their duties to administer this trust. The Trustees shall have only such authority, powers and duties as conferred herein and hereunder. If any court of competent jurisdiction becomes the administrator of this trust, it too shall use this indenture as its governing instrument.
P.5	10.1 No Trustee shall be required to furnish any bond or other security, nor obtain authority from, or approval of, any court in the exercise of any power conferred upon him.
	Trustee Powers
11.1	The Trustees shall not have any general powers, but shall have any/all power to carry out the intent and purpose of this indenture and the following specific powers;
11.2	To conserve the property, commercialize the resources and extend any established line of investment for the benefit of the trust, to deposit and hold trust funds in both interest bearing and non-interest bearing accounts offered by any bank, to buy, sell, continue, operate, manage, or liquidate any business interest of the trust;
11.3	To buy, sell, lease, receive, exchange, convey, or pledge for security any/all trust property an assets and exercise any/all rights, powers, privileges and authority that any absolute owner of such property can do, to receive and collect gifts, contributions and endowments, to give to any charitable purpose harmonious with the intent of this trust;
11.4	To create new trusts, organizations, or corporations, to enter into and engage in any lawful contracts with, including, but not limited to, natural or legal persons, trusts, corporations, partnerships, associations or other joint ventures under the name of this trust or any other alias or assumed name, and to operate, distribute, diversify, change, liquidate, or otherwise run the trust;
11.5	To buy, sell, underwrite, invest and reinvest in, exchange or otherwise acquire, and to hold, manage, develop, trade, sell "short", deal with and turn to account, either in cash or on margin, any securities of any kind, including but not limited to, stocks, bonds, commodities, mutual funds, in common trust funds established by any bank or trust company, and/or stocks, bonds, debentures, shares, options, commodities, futures, forward contracts, notes, or any other securities of any government, state, municipality, public authority, public or private limited or unlimited company anywhere in the world;
11.6	To buy, sell, underwrite, invest in, exchange or otherwise acquire, and to hold, manage, develop, deal with and turn to account any gold, silver, diamonds, and other precious or semiprecious gems or metals, gas, oil or mineral rights, patents, copyrights or trademarks, works of art and other articles of value, and whether on cash or margin basis and including short sales, and to borrow or lend money against the security of any of this property;

11.7	To hold, manage, acquire, buy, sell, lease, rent, mortgage, exchange, deed, convey, assign, encumber, hypothecate, invest, loan, borrow, grant options, pledge to secure loans, make improvements, modifications, and alterations, demolish productive or unproductive property, to execute covenants, agreements, contracts or credits, to create servitude's, grant easements and rights of way, impose conditions and restrictions, and to release the same, to seek zoning, re-zoning, variance, or non-conforming use permits on any productive or unproductive property;
11.8	To sue and be sued;
11.9	To carry insurance of all kinds deemed necessary, including but not limited to, life, health and disability insurance, personal liability and property damage, fire, casualty and extended coverage insurance, income protection insurance, to receive and hold any insurance policies on the life of any person, if after the transfer of such policy or policies to the trust, the trust is the sole owner of the policy and the designated beneficiary;
11.10	To employ and pay reasonable compensation to trustees, consultants, caretakers, employees, managers, agents and/or any other third parties for services rendered, to determine the authority and responsibility of each, and to designate any/all of the them to hold funds for specific purposes;
11.11	To make distributions, either from income and/or corpus, that provides for the care, maintenance, support, protection, education, medical expenses and general welfare of the Beneficiaries.
	Now back to Chapter 13 & 14
P.124	After the Grantor dies, the sticky issue of an adverse Trustee is moot. Any blood relation can become the Trustee as long as the person named qualifies under the Trust Indenture.
	Grantor might want to include in the trust indenture or in a letter to the trustees, what qualifications are needed to be a trustee.
P. 125	An Adverse Trustee proves to be one of the greatest assets of the Trust.
Adverse Trustee Test - from the IRS:	This Trustee cannot be subservient to the Grantor; that is, not blood related, not an employee, and there are no conditions under which the Grantor can dominate the Trustee.
An Adverse Party	any person having a substantial beneficial interest in the trust which would be adversely affected by the exercise or nonexercise of the power which he possesses respecting the trust.
Dummy Trustee	If the IRS asks you "What do you do?" and you answer "I just do what I am told." - You are the DUMMY TRUSTEE.
	ADVERSE TRUSTEES CAN NOT RECEIVE A BEQUEST FROM THE GRANTOR'S WILL.
	An adverse Trustee has the authority to stop the Grantor from giving away assets belonging to the Beneficiaries.
Chapter 14	On Trusting... "White Man's Dis-Ease"
	Nature intended us to work together - we can NOT do it alone.
	Trustee - choose at least two people, who are willing to learn.
	Once signed, the trust indenture is Set In Stone... and subsequent Minutes can expand and further define the Indenture, but can't change the original intention of the Grantor.
	Forming any Trust is the single furthest- reaching decision most people will make in a lifetime.

	Beneficiaries can be added by a majority vote of the Board of Trustees; provided the Beneficiary qualifies under the rules of the Indenture. This decision is recorded in the Minutes.
IRS Seven Powers of a Trustee of a Irrevocable Statutory Trust	<ol style="list-style-type: none"> 1) How the income of the trust may be applied to support a dependent 2) At termination of the Trust, the corpus reverts back to the Grantor - (Our Trust NO) 3) How the income of the Trust is to be accumulated 4) How the corpus is to be distributed 5) Temporary power to withhold income from a Beneficiary 6) Power to withhold income during the disability of a Beneficiary to accumulate and add to the income corpus 7) Power to allocate between corpus and income.
	Grantor remains an advisor
	Our Private Irrevocable Trust is a creative process.
	Main responsibility of the Trustees are to increase and protect the assets of the Trust, so they must have some grasp of finances and some legal knowledge, or be interested enough to learn.
	Lack of Trust and Abuse of Power.... Health Care Agent
	stop and review Health Care Directive - an other lists of information we need to leave to people and we need to gather, if someone will be passing on soon.
Link to a Health Care Directive	<p>Here is a California form, if you do not have one... you should check your local hospital's website and see if they have a version they like people to use.</p> <p>https://www.dropbox.com/s/jxx0nyyndprnv25/Advance%20Health%20Care%20Directive%20Form.pdf?dl=0</p>
AARP version	https://www.dropbox.com/s/xgbsol9q8ygr17o/AARP%20California%20HEALTH%20DIRECTIVE.pdf?dl=0
Here is information we all need to leave to our Heirs	https://www.dropbox.com/s/hz5hx6abx75scl/Executor%20Information%20Digital%20Directory%202019.03.docx?dl=0
5 Wishes	https://www.dropbox.com/s/3k5npmyfxglz2xz/5-Wishes-Advanced-Planning-Guide1.pdf?dl=0