

**Executive Summary**  
**For**  
**Non-Grantor, Irrevocable, Complex, Discretionary, Spendthrift Trusts**

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, with the exception of fraudulent conveyance.

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.

In order 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 the 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.

In order 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 Trustee(s). Complex Trusts are governed by terms and conditions that may not be altered or changed by the Trustee(s). The purpose of the Trust is established once and for all time.

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 applies to a Trust created after litigation has been filed, not before.

The Discretionary terms and conditions of the Trust are established to insure the absolute and sole discretionary 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 one or more Beneficiary(ies), 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 with regard to 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 designation is paid to the Corpus of the Trust and not subject to distribution, this is not income to the Trust according to Rule 643. Another advantage to this Trust is that any asset held in the Corpus of the Trust, when sold, is not subject to capital gains taxes.

Thus, all our Trusts were created and written to be *Non-Grantor, Irrevocable, Complex, 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.

**Addendum**  
**to**  
**Executive Summary**

**Guidelines: Caring for the Needs of Minor,  
College Student and Disabled Beneficiaries**

The uses for our Trusts are many and varied. In addition to regular beneficiaries, Trusts care for beneficiaries that are minor children; disabled, comatose and completely incapacitated and incompetent persons; and those who desire higher educations.

The Trustee(s) of the Trust, in the Trustee's absolute and sole discretion, may pay any principal or income applicable to the use of a minor to the parent or guardian, to a person having care and control of such minor, or directly to such minor; or the Trustee(s) may apply the same for the minor's benefit. The funds must always be paid on behalf of the minor to avoid income being declared by the minor, if applicable.

Whenever the Trustee(s) is authorized or directed to make a distribution to a beneficiary who is younger than 21 years of age; is incapacitated; or who is, in Trustee(s) opinion, unable to manage the distribution properly, the Trustee(s) may either make the distribution or retain the amount to be distributed in any manner Trustee may determine advisable, including any of the methods set forth in the following Section. The Trustee(s), before making a distribution to a beneficiary and to the extent that it is both reasonable and possible, must consider the ability in which the beneficiary has demonstrated the management of prior distributions of trust property.

**Methods of Distribution**

The Trustee(s) may distribute or retain trust property in any one, or more, of the following methods for the benefit of any beneficiary subject to the provisions of the Trust:

**(a) Distribution to Beneficiary**

The Trustee(s) may distribute Trust property directly to the beneficiary in his or her sole discretion. If so it is income to that beneficiary.

**(b) Distribution to Guardian or Conservator or Family Member**

The Trustee(s) may distribute Trust property to the beneficiary's guardian, conservator, parent or, a family member or other person who has assumed the responsibility of caring for the beneficiary. This is not income to the beneficiary and if held for that beneficiary or used on their behalf it is not income to the beneficiary.

**(c) Distribution to Custodian**

The Trustee(s) may distribute Trust property to any person or entity, including Trustee, as custodian for the beneficiary, under the Uniform Transfers to Minors Act, or similar statute.

**(d) Distribution to Other Persons or Entities**

The Trustee(s) may distribute trust property to other persons and entities for the use and benefit of the beneficiary. This is not income to the beneficiary.

**(e) Distribution to Agent under Durable Power of Attorney**

The Trustee(s) may distribute trust property to an agent or attorney-in-fact authorized to act for the beneficiary under a legally valid durable power of attorney executed by the beneficiary prior to the incapacity.

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### **(f) Retention in Trust**

The Trustee(s) may retain trust property in a separate trust for the benefit of the beneficiary until the beneficiary attains 21 years of age or, in the opinion of Trustee, is no longer incapacitated (as the case may be). The Trustee(s), in his or her absolute and sole discretion, shall distribute as much of the net income and principal of any trust created under this subsection that the Trustee(s) deems necessary or advisable for the health, education, maintenance or support of the beneficiary for whom the trust was created. The Trustee(s) shall accumulate any undistributed net income and add such income to principal. When the beneficiary for whom a Trust is created under this subsection attains 21 years of age, or is no longer incapacitated (as the case may be), the beneficiary may request from the Trustee a withdraw from the Trust at any time or times any portion or all of the accumulated Trust income and principal. The withdrawal shall be at the absolute and sole discretion of the Trustee(s). When taken it is income to that beneficiary.

The term "education" is intended to be an ascertainable standard in accordance with Section 2041 and Section 2514 of the Internal Revenue Code and shall include, but not be limited to:

1. Enrollment at private elementary, junior and senior high school including boarding school, religious school or academy;
2. Undergraduate and graduate study in any field at a college or university, private, State or religious;
3. Specialized, vocational or professional training or instruction at any institution, including private instruction; and
4. Any other curriculum or activity that the Trustee(s) may deem useful for developing the abilities and interests of a beneficiary including, without limitation, athletic training, musical instruction, theatrical training, the arts and travel.

The term "education" also includes distributions made by the Trustee(s) for expenses such as tuition, room and board, clothing, fees, special fees and memberships in organizations, societies, fraternities, clubs, and fees with regard to anything to do with the education of the beneficiary; books and supplies, tutoring and transportation and a reasonable allowance for living expenses. But these must be paid to the provider or it is income to the beneficiary.