



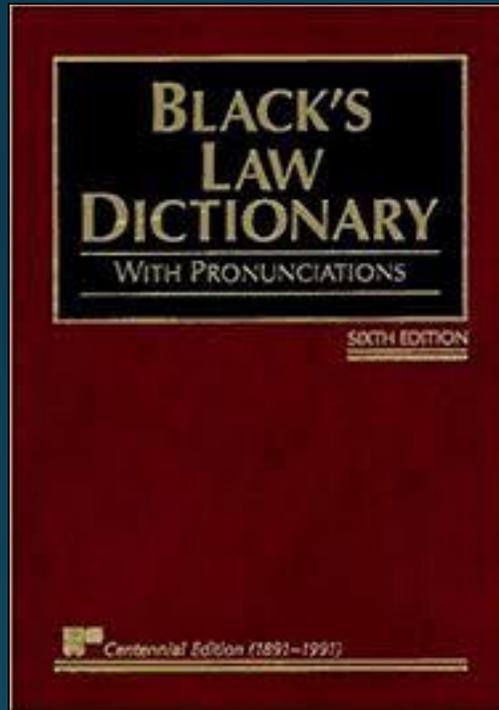
Non-Grantor, Irrevocable, Discretionary, Complex, Spendthrift Trusts

Designed specifically for BOTH Asset Protection and Tax Reduction

“The Secret to Success is to Own Nothing, but Control Everything!”

Nelson Rockefeller

A Trust As Defined By Black's Law



Black's Law Dictionary defines a trust as “An equitable or beneficial right or title to land or other property, held by one party for the benefit of another.” The trustee(s) holds the legal and equitable title to the property for the benefit of the beneficiaries.

Lawsuit Settlements

What happens when a business or individual does not have enough insurance coverage?

1. A lawsuit can tap into your business and/or personal assets
2. Pierce the Corporate Veil (C, S, LLC)

If the assets are protected in the Trust, the claimant can only recover the amount of the insurance policy

Jury awards can be in the millions and pierce your accumulated wealth

Dog bite \$6.9 million



Car accident \$49 million



The Ultimate In Asset Protection

Not

Subject to tax liens and levies issued against beneficiaries or trustees, divorce and alimony, child support, creditors, governmental agencies or third party claims

Subject to eminent domain (**Real Estate**)

Subject to court's jurisdiction (**Turn Over Orders**) except for fraudulent conveyance

U.S. Court of Federal Claims, U.S. District Court & U.S. Tax Court

- U.S. Court of Federal Claims and U.S. District Court are “refund” Courts. Disputed tax liabilities must be paid first before cases are heard. There have not been any cases found regarding our trusts.
- U.S. Tax Court is where the majority of tax cases are heard. Of the 175 cases on record involving estates and trusts from 1992 until now, approximately 69 of those cases involve trusts, and they all involve “grantor” type trusts. There are no cases involving our trusts.
- Taxpayers misunderstand how the IRS works. Other than for tax evasion, fraud, and failure to file income tax returns, an incorrect tax position taken in “good faith” is not criminal. A person would simply be assessed the tax that they would normally pay anyway. There is Nothing to lose and Much to Gain by establishing one of these trusts.

Joseph Kennedy, Mitt Romney & President Donald Trump

- Joseph Kennedy established a Dynasty Trust in 1936 that avoids estate tax.
- Mitt Romney established an Intentionally Defective Grantor Trust that avoids gift tax.
- President Donald Trump established Blind Trusts to hide his business assets.
- Since a Trust is a contract, which the drafting of is only limited by one's imagination, it should be conceivable that a "super" trust could be drafted that avoids almost all tax.

Amazon will pay \$0 in taxes on \$11,200,000,000 in profit for 2018

BY KRISTIN MYERS

FEBRUARY 16, 2019 · 4 MIN READ



Amazon, IBM and Netflix are among the 60 companies on the Fortune 500 list that paid \$0 in federal taxes in 2018, according to a new report from the Institute on Taxation and Economic Policy. Corporate tax revenue overall fell 31% last year, a decrease that experts are attributing to the Tax Cuts and Jobs Act, passed in 2017. • *Here's what people are saying.*

Legally Reduce Taxes

We utilize a one-of-a-kind registered copyrighted Spendthrift Trust
Defer taxes LEGALLY per the Internal Revenue Code (IRC)

- ✓ The Trust document is written to defer and minimize income and estate taxes to the fullest extent that the IRC allows
- ✓ Zero gray area
- ✓ Zero capital gains until distributed
- ✓ Simplify the accounting process



Full Transparency

The Trust does **NOT** conceal or misrepresent

All income and expenses are shown and tied 100% to the following tax returns

- ▶ Business income tax return
- ▶ Trust income tax return
- ▶ Personal income tax return

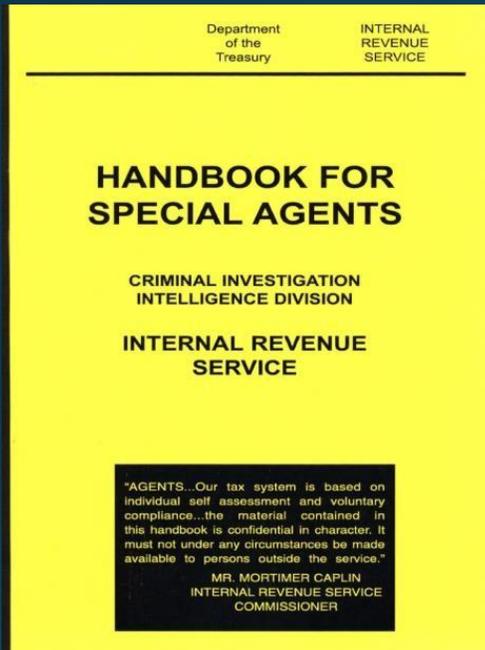
None of the thousands of returns that have been prepared by our accountants have EVER BEEN FLAGGED FOR AN EXAMINATION!

Tax Evasion - ILLEGAL

- ✓ **Intentional omissions**
- ✓ **Improper deductions**
- ✓ **False allocations**
- ✓ **Improper credits or exemptions**
- ✓ **Concealment of assets**



Tax Avoidance – IRS Handbook



The Department of the Treasury, IRS Handbook for Special Agents 412, Tax Avoidance is not a criminal offense.

“Any attempt to reduce, minimize or alleviate taxes by legitimate means is permissible”

History Of Our Trust Format

- Formed from Registered Copyrights granted in 1999, 2012 and 2017. These trust formats have been in use for over 18 years
- Over 30,000 of our Trusts are currently in existence
- Designed by a Collaboration of Tax Attorneys, CPA's, Trust Attorneys, Contract Attorneys, it took over 12 years to perfect the document
- Payment of taxes is deferred until some time in the future when the trust assets are distributed
- These Trusts were written for the primary purpose of
BOTH ASSET PROTECTION AND TAX REDUCTION

Compliance

It complies with:

- ✓ “Scott on Trusts” Law
- ✓ “Uniform Trust Code”
- ✓ “Restatement Third of Trusts”
- ✓ Internal Revenue Code

It conforms with all contract, trust and tax laws in all 50 States

What Makes Our Trust Unique?

The registered copyright is based on a combination of five unique components that cannot easily be duplicated

- ① Irrevocable
- ② Non-Grantor
- ③ Dual Track – Complex with Simple Provision
- ④ Discretionary
- ⑤ Spendthrift Provision

Complete Control

Trustee (**You**) – Manages assets, makes investment, and banking decisions

Compliance Overseer (**You**) – Adds and removes trustees and beneficiaries

Irrevocable

- ✓ Terms of the trust agreement cannot be modified, amended or revoked.
- ✓ Assets transferred to the trust may never revert to the one who is making the endowment (Settlor)
- ✓ Separates the Settlor from the “corpus” of the Trust

Non-Grantor vs. Grantor

Non-Grantor



Exempts the trust from any “alter-ego” status that brings into action the management or beneficial enjoyment by the Settlor

Grantor



Creator of the trust, who generally has management of the corpus, or is a beneficiary of the trust, Most “grantor trusts” are called “living trusts,” which have limited benefits, **no asset protection** and **no tax advantages**

Dual Track – Complex With Simple Provision

Complex trusts can accumulate income and distribute from corpus. Simple trusts must distribute income currently, can not accumulate income, can not make charitable contributions, can not distribute out of corpus. If a simple trust makes a distribution from corpus, it becomes a complex trust for that year.

Therefore, this trust alternates between simple or complex depending on the circumstances and types of distributions made.

Discretionary

- ✓ Insures the absolute and sole discretionary power of the trustee in determining the distribution of income and/or principal to corpus and/or the beneficiaries of the trust. There is no requirement to distribute income.
- ✓ 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. Therefore, no beneficiary has any rights to any percentage of the corpus.

Spendthrift Provision

- ✓ The critical element of the document is that no Spendthrift Trust corpus may be penetrated to reach the assets of the corpus
 - ✓ No judge or court may issue a turnover order against a properly constructed Spendthrift Trust with one exception...

Spendthrift Provision

The only exception is fraudulent conveyance to avoid judgment

Fraudulent Conveyance – The illegal transfer of property to another party in order to defer, hinder or defraud creditors, or to put such property out of the reach of a creditor

You must have a Trust in Place BEFORE any lawsuit is officially filed to be protected

HOWEVER...a 2, 4, 6 or 10 year statute of limitation may apply to defeat a fraudulent conveyance claim.

Tax Reduction Strategy

Spendthrift Trusts are designed for the sole benefit of the beneficiary

- ✓ Expenses to maintain trust assets that are used by beneficiaries and paid directly from the trust bank account are considered trust expenses and are not taxable to the beneficiary
- ✓ Pre-taxed income distributed directly to a beneficiary is a taxable distribution to the beneficiary

Expense vs. Taxable Distribution

EXAMPLES:

Taxable Distribution - Wrote check directly to beneficiary to buy a car

Trust Asset/Expense – Purchased a car with trust funds and beneficiary allowed to drive as needed

Business Net Income of \$1,200,000

Current Scenario Without A Trust

- Taxable Income of \$1,200,000
- Estimated 37% Tax Rate =
\$444,000 Tax Due
- ZERO ASSET PROTECTION



Trust Scenario

- Sold Business Assets to Trust (Provides TOTAL Asset Protection)
- Your Business Leases the assets from the Trust for \$1,000,000
- Business Net Income of \$200,000
- Estimated 20% Tax Rate = \$40,000 Tax Due



\$404,000 Tax Reduction with the Trust Strategy

Prepared For:

Prepared by: Michael Weydemuller, MST - Senior Strategist

Filing Status - Single	2017 1040 W/O TRUST	SPENDTHRIFT TRUST	2017 1040 W/TRUST
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INCOME

Wages	35,000		35,000
Interest	500	500	
Dividends	1,100	1,100	
Cap Gains	100,000	100,000	
Net Sch E, Passthrough (K1s)	50,000	45,000	5,000
ADJUSTED GROSS INCOME	186,600	146,600	40,000

DEDUCTIONS

Personal Exemption	(4,050)		(4,050)
Itemized Deductions - Standard Deduction	(6,350)		(6,350)

TAXABLE INCOME

	176,200		29,600
Extraordinary Dividends (Added to Corpus of ST TRUST As per IRS §643(b))		146,600	

TAX LIABILITIES

Federal Tax	29,685		3,978
State Tax	14,202		946

TOTAL TAX

	\$43,887		\$4,924
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Tax Deferred \$38,963

Tax Deferred % 88.78%

**Illustration
2017
With
&
Without
TRUST**

Form **1041** Department of the Treasury - Internal Revenue Service
U.S. Income Tax Return for Estates and Trusts 2017 OMB No. 1545-0092
 Go to www.irs.gov/Form1041 for instructions and the latest information.

A Check all that apply:
 Decedent's estate
 Simple trust
 Complex trust
 Qualified disability trust
 ESBT (S portion only)
 Grantor type trust
 Bankruptcy estate-Ch. 7
 Bankruptcy estate-Ch. 11
 Pooled income fund

B Number of Schedules K-1 attached (see instructions) **F** Check applicable boxes:
 Initial return Final return Amended return
 Change in trust's name Change in fiduciary Change in fiduciary's name Change in fiduciary's address

C Employer identification number **23-4567890**
D Date entity created **01-01-2016**
E Nonexempt charitable and split-interest trusts; check applicable box(es); see instructions.
 Described in sec. 4947(a)(1). Check here if not a private foundation
 Described in sec. 4947(a)(2) Net operating loss carryback Change in fiduciary's address

G Check here if the estate or filing trust made a section 645 election Trust TIN

Income			
1	Interest income	1	500
2a	Total ordinary dividends	2a	1,100
b	Qualified dividends allocable to: (1) Beneficiaries (2) Estate or trust		1,100
3	Business income or (loss). Attach Schedule C or C-EZ (Form 1040)	3	
4	Capital gain or (loss). Attach Schedule D (Form 1041)	4	100,000
5	Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	5	45,000
6	Farm income or (loss). Attach Schedule F (Form 1040)	6	
7	Ordinary gain or (loss). Attach Form 4797	7	
8	Other income. List type and amount	8	
9	Total income. Combine lines 1, 2a, and 3 through 8	9	146,600
Deductions			
10	Interest. Check if Form 4952 is attached <input type="checkbox"/>	10	
11	Taxes	11	
12	Fiduciary fees. If a portion is subject to the 2% floor, see instructions	12	
13	Charitable deduction (from Schedule A, line 7)	13	
14	Attorney, accountant, and return preparer fees. If a portion is subject to the 2% floor, see instructions	14	
15a	Other deductions not subject to the 2% floor (attach schedule) Statement #1	15a	146,600
15b	Net operating loss deduction. See instructions	15b	
15c	Allowable miscellaneous itemized deductions subject to the 2% floor	15c	0
16	Add lines 10 through 15c	16	146,600
17	Adjusted total income or (loss). Subtract line 16 from line 9	17	
18	Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	18	
19	Estate tax deduction including certain generation-skipping taxes (attach computation)	19	
20	Exemption	20	100
21	Add lines 18 through 20	21	100
Tax and Payments			
22	Taxable income. Subtract line 21 from line 17. If a loss, see instructions	22	(100)
23	Total tax (from Schedule G, line 7)	23	0
24a	Payments: a 2017 estimated tax payments and amount applied from 2016 return	24a	
24b	b Estimated tax payments allocated to beneficiaries (from Form 1041-T)	24b	
24c	c Subtract line 24b from line 24a	24c	0
24d	d Tax paid with Form 7004. See instructions	24d	
24e	e Federal income tax withheld. If any is from Form(s) 1099, check <input type="checkbox"/>	24e	
25	25 Total payments. Add lines 24c through 24e, and 24h	25	0
26	Estimated tax penalty. See instructions	26	
27	Tax due. If line 25 is smaller than the total of lines 23 and 26, enter amount owed	27	
28	Overpayment. If line 25 is larger than the total of lines 23 and 26, enter amount overpaid	28	
29	Amount of line 28 to be: a Credited to 2018 estimated tax b Refunded	29	

Sign Here
 Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of fiduciary or officer representing fiduciary _____ Date _____ EIN of fiduciary if a financial institution _____
 May the IRS discuss this return with the preparer shown below (see instr. 7) Yes No

Paid Preparer Use Only
 Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check if self-employed PTIN _____
 Firm's name _____ Firm's EIN _____
 Firm's address _____ Phone no. _____

For Paperwork Reduction Act Notice, see the separate instructions. Form 1041 (2017)

Trust 1041 Return Example



1040 Department of the Treasury - Internal Revenue Service (99) **2017** U.S. Individual Income Tax Return **2017** 0988 No. 1545-0074 108 Use Only Do not write or staple in this space.

For the year Jan. 1, Dec. 31, 2017, or other tax year beginning on 2017, ending 20

Your full name and title: **JOHNNY J EXAMPLE** Last name: **EXAMPLE** Your tax filer's name: **EXAMPLE** Your tax filer's social security number: **555-19-9324**

If a joint return, spouse's first name and initial: Last name: Spouse's social security number:

Home address (number and street), if you have a P.O. box, see instructions. Apt. no.: **123 MAIN**

City, town or post office, state, and ZIP code: (You have a foreign address, also complete spaces below (see instructions).) **Long Beach CA 90815**

Foreign country name: Foreign province/state/country: Foreign postal code:

Filing Status: Single Married filing jointly (even if only one had income) Head of household (only qualifying person) (see instructions) Married filing separately. Enter spouse's SSN above Qualifying widow(er) (see instructions)

Check only one box: You Spouse

Exemptions: Yourself. If someone can claim you as a dependent, do not check box 6a. Spouse. Dependents: (i) First name, last name, social security number, relationship to you, (ii) Child if filing jointly (or over tax credit), (iii) Other dependent (for over tax credit), (iv) Add numbers on line above.

Income: 7 Wages, salaries, tips, etc. Attach Form(s) W-2: **35,000**
 8a Taxable interest. Attach Schedule B if required: **5,000**
 9a Ordinary dividends. Attach Schedule B if required: **1,100**
 9b Qualified dividends: **1,100**
 10 Taxable refunds, credits, or offsets of state and local income taxes: **0**
 11 Alimony received: **0**
 12 Business income or (loss). Attach Schedule C or C-EZ: **0**
 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here: **100,000**
 14 Other gains or (losses). Attach Form 4797: **0**
 15a IRA distributions: **15a** Taxable amount: **15b**
 16a Pensions and annuities: **16a** Taxable amount: **16b**
 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E: **50,000**
 18 Farm income or (loss). Attach Schedule F: **0**
 19 Unemployment compensation: **0**
 20a Social security benefits: **20a** Taxable amount: **20b**
 21 Other income: **21**
 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income: **186,600**

Adjusted Gross Income: 23 Educator expenses: **23**
 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ: **24**
 25 Health savings account deduction. Attach Form 8889: **25**
 26 Moving expenses. Attach Form 3903: **26**
 27 Deductible part of self-employment tax. Attach Schedule SE: **27**
 28 Self-employed SEP, SIMPLE, and qualified plans: **28**
 29 Self-employed health insurance deduction: **29**
 30 Penalty on early withdrawal of savings: **30**
 31a Alimony paid: b Recipient's SSN: **31a**
 32 IRA deduction: **32**
 33 Student loan interest deduction: **33**
 34 Reserved for future use: **34**
 35 Domestic production activities deduction. Attach Form 8803: **35**
 36 Add lines 23 through 35: **36**
 37 Subtract line 36 from line 32. This is your adjusted gross income: **186,600**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form 1040 (2017)

Form 1040 (2017) **JOHNNY J EXAMPLE** 555-19-9324 Page 2

Tax and Credits

38 Amount from line 37 (adjusted gross income) **38 186,600**

39a Check You were born before January 2, 1953, Blind. Total boxes checked **39a 3**
 if: Spouse was born before January 2, 1953, Blind.

Standard Deduction for -

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) **40 6,350**

41 Subtract line 40 from line 38 **41 180,250**

42 Exemptions. If line 38 is \$15,900 or less, multiply \$4,000 by the number on line 6d. Otherwise, see instructions **42 4,050**

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- **43 176,200**

44 Tax (see instructions). Check if any from: a Form(s) 9814 b Form 4872 c **44 29,685**

45 Alternative minimum tax (see instructions). Attach Form 6251 **45**

46 Excess advance premium tax credit repayment. Attach Form 8962 **46**

47 Add lines 44, 45, and 46 **47 29,685**

48 Foreign tax credit. Attach Form 1116 if required **48**

49 Credit for child and dependent care expenses. Attach Form 2441 **49**

50 Education credits from Form 8863, line 19 **50**

51 Retirement savings contributions credit. Attach Form 8880 **51**

52 Child tax credit. Attach Schedule 8812, if required **52**

53 Residential energy credit. Attach Form 5695 **53**

54 Other credits from Form: a 3800 b 8801 c **54**

55 Add lines 48 through 54. These are your total credits **55 0**

56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- **56 29,685**

57 Self-employment tax. Attach Schedule SE **57**

58 Unreported social security and Medicare tax from Form: a 4137 b 8919 **58**

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required **59**

60a Household employment taxes from Schedule H **60a**

60b First-time homebuyer credit repayment. Attach Form 5405 if required **60b**

61 Health care: individual responsibility (see instructions) Full-year coverage **61**

62 Taxes from: a Form 8959 b Form 8960 c Instructions; enter code(s) **62**

63 Add lines 56 through 62. This is your total tax **63 29,685**

Payments

64 Federal income tax withheld from Forms W-2 and 1099 **64**

65 2017 estimated tax payments and amount applied from 2016 return **65**

66a Earned income credit (EIC) **66a**

66b Nontaxable combat pay election **66b**

67 Additional child tax credit. Attach Schedule 8812 **67**

68 American opportunity credit from Form 8863, line 8 **68**

69 Net premium tax credit. Attach Form 8962 **69**

70 Amount paid with request for extension to file **70**

71 Excess social security and tier 1 RRTA tax withheld **71**

72 Credit for federal tax on fuels. Attach Form 4138 **72**

73 Credits from Form: a 2439 b Reserved c 8885 d **73**

74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments **74 0**

Refund

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid **75**

76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here **76a**

Direct deposit? **76b** Routing number **76c** Type: Checking Savings **76d** Account number

77 Amount of line 75 you want refunded to you. If Form 8888 is attached, check here **77**

Amount You Owe

78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions **78 29,685**

79 Estimated tax penalty (see instructions) **79**

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes, Complete below. No

Designee's name: Phone no.: Personal Identification number (PIN):

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amount and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature: Date: Spouse's signature, if a joint return, both must sign. Date: Spouse's occupation: BUSINESS MAN Identity Protection PIN (see inst.):

Preparer's signature: Date: Check if self-employed FTIN

Paid Preparer Use Only

Print/type preparer's name: Firm's name: Firm's EIN: Firm's address: Phone no.

1040 Return Example Without Trust



29,685

1040 U.S. Individual Income Tax Return 2017

Department of the Treasury - Internal Revenue Service (99)

OMB No. 1545-0047

1095 (Use Only Do not write or stamp in this space)

For the year Jan. 1, Dec. 31, 2017, or other tax year (instructions)

Your first name and initial: **JOHNNY J**

Last name: **EXAMPLE**

Four-digit social security number: **555-19-9324**

If a joint return, spouse's first name and initial: _____

Last name: _____

Spouse's social security number: _____

Home address (number and street), if you have a P.O. box, see instructions: **123 MAIN**

City, town or post office, state, and ZIP code: **Long Beach CA 90815**

Foreign country name: _____ Foreign province/state/country: _____ Foreign postal code: _____

Presidential Election Campaign: Yes No

Check here if you, or your spouse if filing jointly, want \$3 to go to the fund. Checking a box below will not change your tax or refund.

Filing Status: Single Married filing jointly (even if only one had income) Head of household (only if you are the only person in the household who can be claimed as a dependent, see instructions) Married filing separately. Enter spouse's SSN above: _____ Qualifying widow(er) (see instructions)

Check only one box: Yourself, if someone can claim you as a dependent, do not check box 6a Spouse Dependent (see instructions)

Exemptions: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37

Income: 7 Wages, salaries, tips, etc. Attach Form(s) W-2: **35,000**

8a Taxable interest. Attach Schedule B if required: **8a**

8b Tax-exempt interest. Do not include on line 8a: **8b**

9a Ordinary dividends. Attach Schedule B if required: **9a**

9b Qualified dividends: **9b**

10 Taxable refunds, credits, or offsets of state and local income taxes: **10**

11 Alimony received: **11**

12 Business income or (loss). Attach Schedule C or C-EZ: **12**

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here: 13 **0**

14 Other gains or (losses). Attach Form 4797: **14**

15a IRA distributions: **15a**

15b Taxable amount: **15b**

16a Pensions and annuities: **16a**

16b Taxable amount: **5,000**

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E: **17**

18 Farm income or (loss). Attach Schedule F: **18**

19 Unemployment compensation: **19**

20a Social security benefits: **20a**

20b Taxable amount: **20b**

21 Other income: **21**

22 Combine the amounts in the far right column for lines 7 through 21. This is your total income: **40,000**

Adjusted Gross Income: 23 Educator expenses: **23**

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ: **24**

25 Health savings account deduction. Attach Form 8889: **25**

26 Moving expenses. Attach Form 3903: **26**

27 Deductible part of self-employment tax. Attach Schedule SE: **27**

28 Self-employed SEP, SIMPLE, and qualified plans: **28**

29 Self-employed health insurance deduction: **29**

30 Penalty on early withdrawal of savings: **30**

31a Alimony paid: b Recipient's SSN: **31a**

32 IRA deduction: **32**

33 Student loan interest deduction: **33**

34 Reserved for future use: **34**

35 Domestic production activities deduction. Attach Form 8803: **35**

36 Add lines 23 through 35: **36**

37 Subtract line 36 from line 22. This is your adjusted gross income: **40,000**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form 1040 (2017)

Form 1040 (2017) JOHNNY J EXAMPLE 555-19-9324 Page 2

Tax and Credits

38 Amount from line 37 (adjusted gross income): **38** **40,000**

39a Check You were born before January 2, 1953, Blind. } Total boxes if: Spouse was born before January 2, 1953, Blind. } checked **39a**

b If your spouse itemizes on a separate return or you were a dual-status alien, check here: **39b**

Standard Deduction for -

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin): **40** **6,350**

41 Subtract line 40 from line 38: **41** **33,650**

42 Exemptions. If line 38 is \$156,000 or less, multiply \$4,000 by the number on line 6d. Otherwise, see instructions: **42** **4,050**

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-: **43** **29,600**

44 Tax (see instructions). Check if any from: a Form(s) 8814 b Form 4872 c : **44** **3,978**

45 Alternative minimum tax (see instructions). Attach Form 6251: **45**

46 Excess advance premium tax credit repayment. Attach Form 8962: **46**

47 Add lines 44, 45, and 46: **47** **3,978**

48 Foreign tax credit. Attach Form 1116 if required: **48**

49 Credit for child and dependent care expenses. Attach Form 2441: **49**

50 Education credits from Form 8863, line 19: **50**

51 Retirement savings contributions credit. Attach Form 8880: **51**

52 Child tax credit. Attach Schedule 8812, if required: **52**

53 Residential energy credit. Attach Form 5695: **53**

54 Other credits from Form: a 3800 b 3801 c : **54**

55 Add lines 48 through 54. These are your total credits: **55** **0**

56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-: **56** **3,978**

Other Taxes

57 Self-employment tax. Attach Schedule SE: **57**

58 Unreported social security and Medicare tax from Form: a 4137 b 8919: **58**

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required: **59**

60a Household employment taxes from Schedule H: **60a**

b First-time homebuyer credit repayment. Attach Form 5405 if required: **60b**

61 Health care: individual responsibility (see instructions) Full-year coverage : **61**

62 Taxes from: a Form 8959 b Form 8960 c Instructions; enter code(s): **62**

63 Add lines 56 through 62. This is your total tax: **63** **3,978**

Payments

64 Federal income tax withheld from Forms W-2 and 1099: **64**

65 2017 estimated tax payments and amount applied from 2016 return: **65**

66a Earned income credit (EIC): **66a**

b Nontaxable combat pay election: **66b**

67 Additional child tax credit. Attach Schedule 8812: **67**

68 American opportunity credit from Form 8863, line 8: **68**

69 Net premium tax credit. Attach Form 8962: **69**

70 Amount paid with request for extension to file: **70**

71 Excess social security and tier 1 RRTA tax withheld: **71**

72 Credit for federal tax on fuels. Attach Form 4136: **72**

73 Credits from Form: a 2439 b Reserved c 8885 d : **73**

74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments: **74** **0**

Refund

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid: **75**

76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here: **76a**

Direct deposit? See instructions: **b** Routing number: _____ **c** Type: Checking Savings

d Account number: _____

77 Amount of line 75 you want applied to your 2016 estimated tax: **77**

Amount You Owe

78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions: **78** **3,978**

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes, Complete below. No

Designee's name: _____ Phone no.: _____ Personal identification number (PIN): _____

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amount and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature: _____ Date: _____ Your occupation: **BUSINESS MAN** Daytime phone number: _____

Spouse's signature, if a joint return, both must sign: _____ Date: _____ Spouse's occupation: _____ Identity Protection PIN (see inst.): _____

Preparer's signature: _____ Date: _____ Check if PTIN self-employed:

Paid Preparer Use Only

Print/Type preparer's name: _____ Firm's name: _____ Firm's EIN: _____ Firm's address: _____ Phone no.: _____

EIA Form 1040 (2017)

1040 Return Example With Trust



Beneficial Spendthrift Trust

*JUST A FEW EXAMPLES	STANDARD TAX RETURN	TRUST
• MEDICAL:	>7.5% OF AGI	100%
• CONTRIBUTIONS:	UP TO 50% OF AGI	100%
• ROOM & BOARD AT COLLEGE	0	100%
• WELLNESS	0	100%
• TRAVEL TO A MUSEUM	0	100%
• INTEREST ON CREDIT CARDS	0	100%
• TELEPHONE	0	100%
• LIFE INSURANCE PREMIUMS	0	100%
• BANK AND CC CHARGES	0	100%
• HOME EXPENSES	0	100%
• VEHICLE GAS & MAINTENANCE	0	100%
• POSTAGE	0	100%

How Do I Fund The Trust?

Sell Assets to the Trust through a Bill of Sale

(Non-Taxable Event)

Hard Assets

- Equipment
- Real Estate
- Computers

Intellectual Property

- Website
- Handbooks
- Copyrights
- Trademarks
- Proprietary Operating Systems

Assets are now owned by the trust; any asset can be leased back to an entity

How Do I Fund The Trust?

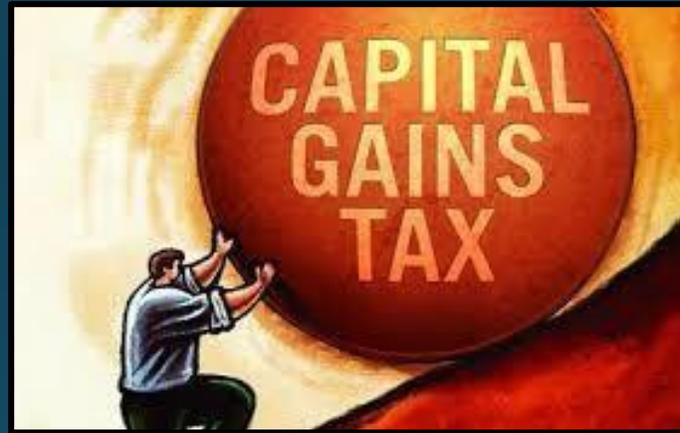
Rental/Lease Income From Properties or Businesses

Quick Claim Deed Assets and Property to the Trust

- ▶ Rental/Lease Income is now paid directly to Trust
- ▶ Zero Capital Gains when the property is sold
- ▶ Expense interest payments related to an asset
- ▶ Principal payments become Balance Sheet items of the Trust

Capital Gains Are Excluded

Internal Revenue TITLE 26, Subtitle A, CHAPTER 1, Subchapter J, Part 1, Subpart A, Sec 643 (a)(3),(4) and 643 (b)



IRC Section 643 (a)(3) **Capital Gains And Losses** – gains from the sale or exchange of capital assets shall be **EXCLUDED** to the extent that such gains are allocated to corpus and are not (A) paid, credited, or required to be distributed to any beneficiary during the taxable year...

Income Allocated To Trust Corpus

IRS Code Section 643 (a)(4)...there shall be excluded those items of gross income constituting extraordinary dividends or taxable stock dividends, which the fiduciary, acting in good faith, does not pay or credit to any beneficiary, by reason of his determination that such dividends are allocable to corpus under the terms of the governing instrument and applicable local law.



Assets in Trust – Zero Capital Gains

For assets sold to the Trust

- ✓ Unlimited amounts can be sold
- ✓ Non-Taxable Event
- ✓ Zero Capital Gains on Growth or Sale of Trust Owned Assets

- Stocks and Bonds

- Currency Trading

- Bitcoin/Crypto Currencies

- Sales of assets to other trusts

- Real Estate

- Buying/Selling of Businesses

- No Federal or State Probate

- No Gift Tax

How Do I Get Money Out Of The Trust

Non-Taxable via a Demand Note

or

Taxable via 1099-Misc Income or K-1 Distribution

Demand Note Example

Assume assets are sold to the Trust for value of \$1,000,000. Payments from the Demand Note can be used to:

- Take cash out at any time in increments or in full
- Pay for expenses such as food and personal care items
- Pay FMV for Trustee's use of assets including vehicles and property

Keep Your Trusted Advisors

Maintain all relationships with your current advisors

- ✓ Lawyer, CPA, Money Manager, Agent, Financial Advisor...
- ✓ We don't interrupt your business as a consultant, we only need to view your tax returns to get started with an asset protection and tax reduction strategy
- ✓ Keep spending virtually the same way with minor changes
- ✓ We teach you how to expense vs. using taxable distributions

Money managers tend to like us. We give them more money to manage

**Never be
deceived
that the rich
will permit
you to vote
away their
wealth.**

Lucy Parsons (1853-1942)

