



## **SPECIALIZED SPENDTHRIFT TRUST OVERVIEW**

The Specialized Spendthrift Trust Overview was created to share a wealth of information about the very unique and highly-specialized *Copyrighted, Non-Grantor, Irrevocable, Complex, Discretionary, Spendthrift Trust* into a digestible summary for the purpose of learning more about this elite and very powerful financial instrument and estate management tool.

### **WHAT IS A TRUST?**

There are many kinds, such as: Irrevocable, Revocable, Living and Testamentary, etc. Trusts can be simple and straightforward or very complex. By definition, Trusts are legal entities that can be used to transfer and manage property and/or assets. Economic Strategist specifically utilizes one type of trust, called the Spendthrift Trust.

The Spendthrift Trust is derived from laws of antiquity and was established in the early 1500's by King Henry, VIII. It is legal in all countries of the world. Laws were written to accommodate The Spendthrift Trust to ensure the integrity of the corpus remains sacred and beyond the reach of creditors. In addition, it is used for preserving estates for future generations, shielding assets from litigation, deferring taxes, managing assets, complementing or replacing Wills, as well as minimizing or avoiding the complex legal estate system. They are time-proven, legal, unique and very strong, valuable tools. The terms and conditions of the Trust strictly define the form of the Trust used and the needs of the people it is created to serve.

### **SPECIALIZED SPENDTHRIFT TRUST FACTS**

The uniqueness of The Spendthrift Trust stems from the unique manner in which the Spendthrift Trust and correlating documents intertwine provisions that have existed for many decades. The verbiage of the Trust, IRS Code 643, and accompanying documents work together as a copyrighted system to accomplish the purpose for which the Trust was created.

The Spendthrift Trust estate management tool was designed to be supremely legal, tax friendly and compliant within the Internal Revenue Code so that the Trust cannot be investigated or have the ability to be overturned for any reason. Since the inception of the Specialized Spendthrift Trust, not one of over 30,000 has ever been audited, successfully challenged, or overturned.

Economic Strategist's legal team handles all litigation and legal matters. Only licensed attorneys may sell legal Trust documents. Economic Strategist, an Estate Management and Asset Protection Agency, owns an exclusive agreement for distribution of Specialized Copyrighted Spendthrift Trusts. We are authorized to sell a copy of a Copyright. With the combination of our Copyrighted Trust and legal support, our clients can rest assured that they are in compliance with the Internal Revenue Code and have purchased a ***"Legal Trust."***

## **SPECIALIZED SPENDTHRIFT TRUST FACTS (CONT'D)**

The price of the Specialized Spendthrift Trust also includes access to our Tax Team, comprised of IRS Enrolled Agents, who are extremely well-versed in the specialized Spendthrift Trust and its structure and tax laws.

The Specialized Spendthrift Trust comes with all documents and forms needed to accomplish the endowment and to also declare the ***Extraordinary Dividends*** that make the exchange ***not income*** to the Trust. No other organization provides these invaluable documents and the legal advice needed to accomplish these vital actions.

## **SPECIALIZED SPENDTHRIFT TRUST BENEFITS**

The Specialized Spendthrift Trust provides three important benefits: 1) Asset Protection; 2) Tax Benefits; 3) Personal and Financial Privacy.

The Specialized Spendthrift Trust provides **Asset Protection** because it is not subject to probate law. No judge, court of law, or entity may remove the assets or issue a turnover order against a Spendthrift Trust. The Specialized Spendthrift Trust is the ***"Titanium Vault"*** of protection for businesses, estates, and individuals. When created and used in a proper and lawful manner, the Trust has proven to withstand court judgements, tax liens, lawsuits, divorce claims, bankruptcies, levies, and seizures. It also eliminated the need for a Will and bypasses state and federal probate.

The Specialized Spendthrift Trust has been successful in preventing creditors from attacking Trust assets. If a creditor brings an action against an individual or company that is operating within the structure of a Spendthrift Trust, even if they should get a judgment (individually/corporately), they are unable to reach any assets that are within the Trust. If an individual/business/estate is sued in a damage case, as is the case with doctors, professionals and/or companies, they are assessed an award by a court for damages, but the judgment is not enforceable as to the assets and bank accounts of the Trust. The assets of the Trust are secure.

The specialized Spendthrift Trust provides multiple opportunities regarding **Tax Benefits**. As an extraordinary tax deferment instrument, it allows taxes to be deferred until the Beneficiaries take the assets out of the Trust (if, when and ever). IRS law says, ***"There has to be a possibility for an end of the Trust for there to be a possibility of tax."*** The Specialized Spendthrift Trust is set up for 21 years, renewable. If the Trustee decided to end the Trust, they could and would pay the tax on the entire value of the Trust over the time of its existence.

Generally, when any assets, cash or property (tangible or intangible) are properly conveyed to a Trust, there are no tax consequences to the party contributing the funds or endowments, the Beneficiaries, or to the Trust itself. The funding of the Trust is called an endowment or capitalization, and the assets are called the corpus of the Trust. When assets, cash or property are distributed to a beneficiary of the Trust, it is not a taxable event for the Trust. It is a taxable event for the Beneficiary, unless the Beneficiary has a Spendthrift Trust that receives the distribution, then it is considered an endowment. All capitalization or endowments, capital gains, extraordinary dividends, real estate transactions and stock dividends realized in this type of Trust are not considered income to the Trust when allocated to the corpus. The Trust pays taxes only on what the assets earn ***unless, "Deemed to be paid to the corpus according to the terms and conditions of the Trust, which is discretionary and at the discretion of the Trustee"***. This ties to the Discretionary feature of the Spendthrift Trust.

## **SPECIALIZED SPENDTHRIFT TRUST BENEFITS (CONT'D)**

A key feature of the specialized Spendthrift Trust is that it follows IRS Rule 643 which states, “***Capital gains and losses are excluded in this type of trust***” stating “***Gains from the sale or exchange of capital assets shall be excluded to the extent that such gains are allocated to the corpus of the trust***”. The rule also says, “***Items of gross income constituting extraordinary dividends or taxable stock dividends which the Trustee, acting in good faith, determines to be allocable to corpus under the terms of the governing instrument and applicable local law shall not be considered income***”. Tax law states, “***A Trust must be Non-Grantor, Irrevocable, and Discretionary in order to comply with the tax provision***”.

Tax law also states, “***If a trust has a Simple or Complex provision, is Discretionary and no percent is designated to one Beneficiary, that the Trustee of the Trust may make a declaration that the income is either Extraordinary Dividends, Taxable Stock Dividends and that they are paid to the corpus is not income to the Trust***”. It further states, “***Any property held in the corpus of a Trust when it is sold it not subject to capital gains***”. The strategic verbiage of The Specialized Spendthrift Trust is critical in that the Trust could invest in the stock market and profits from these investments are not taxable to the Trust. It also allows royalties from oil and gas and like dividends that are declared as extraordinary to be paid to the Trust and is not taxable income.

The Specialized Spendthrift Trust provides total **Privacy**. One of the most fundamental American rights is our **right to financial privacy**. Although Spendthrift Trust organizations are subject to certain Federal Tax ID requirements to conduct banking, the privacy of the Spendthrift Trust is still kept intact. Financial affairs are maintained in total privacy, and paper trails are virtually eliminated. This is due to the fact all documentation is kept in the Trust log book that is provided with your Specialized Spendthrift Trust.

Probate requirements for Wills often result in making a public record of the terms and distribution requirements of the Will. Trusts, however, are not filed and are not on any public register. Legal Trusts are registered with the IRS through an EIN number. While the legal Trust must file a 1041 tax return each year, it remains confidential - as it is not public record.

Because of these key factors and characteristics, the Specialized Spendthrift Trust has now become the preferred entity for estate management and provides individuals and businesses complete asset protection, amicable tax planning consequences, absolute privacy, and ease of management that meet and exceed all the requirements and standards of the courts and the IRS.

## **SPECIALIZED SPENDTHRIFT TRUST PROVISIONS**

The Specialized Spendthrift Trust was created by a group of Attorneys, Judges and CPA's and was so intelligently and strategically written that it has become the only copyrighted trust that exists to-date.

The **Copyright** is due to the exact verbiage of the Specialized Spendthrift Trust and for the protection of its intellectual property. All copyright infringements have been successfully challenged and defended with 100% success.

The **Non-Grantor** provision in the Specialized Spendthrift Trust separates the Creator/Settlor from the corpus of the Trust and exempts the Trust from any “***Alter Ego***” status. In a **Grantor** Trust, the client (Grantor) asks an Attorney to originate a trust for the client, and the attorney honors the request and originates a Trust. A Grantor Trust type trust does avoid probate; however, does not have any Tax Benefit or Asset Protection. The Grantor status can give an attorney or judge just cause to investigate and overturn that trust as an alter ego.

## **SPECIALIZED SPENDTHRIFT TRUST PROVISIONS (CONT'D)**

The **Irrevocable** provision offers *potential tax advantages and legal protection from all liability*. Irrevocable Trusts do not pay taxes on capitalization and endowments are generally beyond the reach of creditors and judgments with limited exceptions. ***To have asset protection, the trust must be Irrevocable and Non-Grantor.***

The **Complex** provision allows the Trust exemption from the requirement to distribute any of its income to beneficiaries. A Simple Trust must and does pay all of its income to the named beneficiary or beneficiaries annually. The complex provision gives the Specialized Spendthrift Trust the best of both worlds.

The **Discretionary** Provision is to insure the absolute and sole discretionary power of the Trustee in determining the distribution of the corpus assets to the beneficiaries. 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 becomes invalid. This in no way affects the asset protection; however, could adversely affect the taxable structure of the Trust.

## **FINAL POINTS**

When seeking an instrument that provides the ultimate level of protection and deferment, there is no comparison in existence. Our Trust has been approved by the United States Copyright Office. Each Trust booklet contains an official Letter of Legal Opinion. They have been vetted in all fifty (50) states and are approved for worldwide use. The Trusts are in compliance with all laws/banking regulations and work in conjunction with IRS Code and support the reduction of tax fraud/schemes<sup>1</sup>. The Specialized, Copyrighted Spendthrift Trust is designed for those clients who have the most to protect either now or in the future and is a proven method for enhancing your wealth and securing your legacy for generations to come.

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<sup>1</sup> Internal Revenue Service, "Is It Too Good To Be True? Recognizing Illegal Tax Avoidance Schemes." Publication 3955, Aug. 2003

## **ECONOMIC STRATEGIST SPECIALIZED SPENDTHRIFT TRUST PRODUCTS**

<b><u>Retirement Trust</u></b>	Designed for retired individuals. Structured like a Beneficial Trust. Eliminates probate and Medicaid's 5-year lookback upon admission to nursing home facilities. Protects assets from Medicaid Recovery Act.
<b><u>Beneficial Trust</u></b>	A single trust designed for individuals/families. Provides family asset protection. Protection from lawsuits/creditors. Defers Federal income taxes into perpetuity, renewable every 21 years. Eliminates probate. Not subject to capital gains/ eminent domain. Eliminates 1031 Exchange. Provides privacy.
<b><u>Business 1 Trust</u></b>	Includes two (2) trusts – A Business Trust which serves as a passthrough for business income and works in conjunction with LLC/C-Corp/S-Corp structures to minimize liability and maximize privacy.
<b><u>Business 2 Trust</u></b>	Includes three (3) trusts – The Business Trust serves as a passthrough into the two (2) Beneficiary Trusts that serve as its Beneficiaries. Designed for businesses with two partners. Contains all features of the Business 1.
<b><u>Business Advanced Trust</u></b>	Designed for businesses with three or more partners/investors. Contains all features of the Business 1.
<b><u>Charitable Trust</u></b>	Includes two (2) trusts (1 Charitable/1 Beneficial). Designed for charitable organizations. Unlike non-profits/501c3, it does not require a Board of Directors/Trustees and is free from restrictions on freedom of expression of religious/political views. Qualified for property tax exemption. Not subject to stringent reporting and/or government guidelines. Adds another layer of privacy/protection of assets.
<b><u>Real Estate Trust</u></b>	Includes multiple trusts (1 Real Estate/multiple Beneficial). Designed for any real estate purchases from single-family purchases to advanced commercial real estate projects and includes Beneficial Trusts attached to support its investors which endow investment funds and receives protection from lawsuits, capital gain, imminent domain. Allows for tax deferment in compliance with IRS Code 643.
<b><u>Oil &amp; Gas Trust</u></b>	The object of this unique Trust and its concept is to provide the opportunity to completely defer taxes and protect Royalties from potential third-party creditors and liabilities.