

Re: My edits or first pass at the trust document after 90 days

From: Simi Antony (simi_27@yahoo.com)

To: aaron@aaronhall.com

Date: Tuesday, March 12, 2019, 07:44 PM CDT

My Summary

1) The trust documentation has language throughout the document that there will be an additional Trustee besides the initial trustee which is me and you as the co-special trustee. Then there is language about nominee's, voting on what decisions needs to be made while I am alive where in certain cases the majority vote has it and in some cases it is my call and when it cannot be resolved it is your call

That is too complicated for me. I own the trust till I am alive. In case I become incapacitated only then will a trustee be appointed to replace me. We want to figure out what we need in that trustee that replaces me. If all goes well I see only 2 people in this trust, you and me. I need it mean and lean. After my death I see a bank officer, and you and u will see why!

My assets

I currently own IRA's equaling about \$500,000

I own a townhome that if all goes well I intend to pay it in 15 years

The house I co-own with my ex-husband is going to go on market at the end of May of this year I will use the proceeds from that home to invest in condos out of state such as florida or San Diego so that I can get max property management or I will hunt down a property management company

I might add a term insurance down the road.

Here is how I see it

As long as I am living I will deal with the hassles of managing the properties. The trust will have a bank account which will have renters income as income to the trust and all itemized deductions on the investment property such as interest and property taxes as losses to the trust. A tax document will be prepared at the end of each tax year for the trust account. **Who needs to prepare this document? Can it be simple as H & R Block who prepares it? The trust contains language that I will convey and transfer all assets to my trustee who will manage and uphold to he terms of the trust. I don't know what transfer means and I am not comfortable with that language**

Revocable vs Irrevocable

During my living days the trust remains revocable so that I can continue to add to the trust. After my death I would like to have the trust be irrevocable. I would like the properties to be sold and brought into the trust. My primary home will be tax free. The investment properties will be free of estate tax as long as the value of the Trust is under 11.7 million and the state is under 2.7 million. There is still the matter of the income tax. If I knew when I died, I could go stay for 2 years in each

property and then claim to be tax exempt. **Questions I have** - When I die, my beneficiaries may or may not inherit the trust as they may or may not have completed the terms of the trust. **The investment properties will be reappraised to a stepped up cost basis where the trust will pay the gain only over the stepped up cost basis if my girls haven't as yet satisfied the stipulations and terms of the trust. I would also like to take advantage of the gift tax rule where I can gift each beneficiary upto 5.7 million, so in this case I could gift each beneficiary a home, sell it and bring it into the trust waiting for them tax free till the beneficiary completes the terms of the trust.**

Also I will not need an investment advisor. I want the trust to be frozen i.e. irrevocable once all the properties are sold and bought into the trust. The trust will sit there and await for the girls to complete the terms of the trust. This takes care of maintenance costs and keeps the trust lean and mean as oppose to be swallowed up in maintenance costs for every trustee which in this case according to the trust there would supposedly be a bank officer, an investment advisor, a trustee above and beyond the banker and then u the special co-trustee. The trust won't last long if that many maintenance costs need to be paid out

Now all this complication goes away if the girls complete the terms before I die or are in a position to inherit the moment I die

- 1) The primary homestead is tax free
- 2) Investment properties will have a stepped up cost basis and they can get the properties tax free
- 3) Ira Accounts will be setup in an IRA trust that they can receive 50% 50% share tax free

Terms of the trust

- 1) A Law degree - A Juris Doctorate
- 2) A 2 year cyber security degree with extensive knowledge of network, detections of intrusions exactly the way u stated it. I liked what u wrote
- 3) I added this one on - They should work as a lawyer or a cyber security expert for 2 years
- 4) If my age 35 neither of my girls or one of them has fulfilled the terms of the contract then the one that has receives her share, the other ones share is distributed to charity and if neither has the trust shuts down and is distributed to charity.
- 5) If either of my children leaves the country at 18 or later with their father they will not own any share in my trust. If they are able to return and complete stipulations before age 35 then they receive their share that is exclusively managed by them where they send statements of their accounts for the next 10 years or until 50 to ensure that the money is used to buy assets in their name and in their name alone and not for their spouses to use and abuse.
- 6) If one of my girls becomes incapacitated then at age 35 she will receive the 50% share and will be used by her and her alone. The money cannot be distributed to her not unless there is a representative appointed to ensure that no one is abusing the money. This only applies if they are in this country and has not gone with the father to the fathers country.
- 7) paying the annual subscription charge for my website. After the trust shuts down whichever girl wants to take ownership of the website should.
- 8) Upon My death all family albumns and all the binders in my office should be put in a storage after my girls have had some time to process the contents of my office devoid of their fathers presence.
- 9) I will pay for my will to be discoverable in court - \$1000

10) If u instruct me on quit deeds I can have one in place for my townhouse.

Additional Trust Income

1) I only see this condition if there is money that flows from the grandparents as a gift to my children. I would say the Gift Tax would apply where if the children as heirs of the trust could inherit money tax free up to 5.7 million. There cannot be income transferred to my trustees and I certainly cannot have trustees be the beneficiary of insurance policies. This verbiage does not make any sense to me

Trustee Resignation or Removal of a Trustee

If I am alive, I don't need another trustee besides the special co-trustee. If it turns up for what ever reason one is required then the court will appoint one. I would like to minimize as many complications as possible and keep this a very tight run lean and mean ship. I would like to eliminate language that states assets will be transferred to trustees as no account or property or investment accounts is actually in a trustee's name rather only the management of assets is a trustee's responsibility. If a trustee is removed that should be a court decision and the appointment of another should be the courts decision. My girls should be invited to those court sessions so that they have intimate knowledge of what is going on in the trust as they are working towards fulfilling the terms of the trust. It is their trust as long as they are working towards the end goal. I need to understand why we need a trustee when we have the bank officer and you.

Discretionary Distributions

There aren't any till the girls complete the terms of the trust. It will make them stronger for it and not weaker.

Sub Trusts

1) None will be created except for the IRA Trust which will be created when I am living.

Reenactment of laws that affect the trust

Nothing is to be dispersed out until the stipulations that the beneficiaries need to complete are complete. If there is a re-enactment of the federal estate tax that allows for 5.4 million real estate tax exemption of the state recants the law of no taxes on inheritance tax, then the beneficiaries simply pay taxes on what the gains that are within the trust and not on the principal within the trust. That does not call for a distribution of the principal before all terms are satisfied. It is their choice to not accept their inheritance which in that case will be dispersed to charities as stated in this will.

Accounting and transaction Reports - I agree

Resolution of Disputes

I agree that all documentation needs to be submitted to you so that u can determine if the court of law resolves the dispute or if it can be resolved outside of court. However I disagree with any trustee might have an interest in my property or future shares in my trust as that is not how I have designed my trust.

Compensation

We need to lock down costs and I need to know what your compensation will be as I am not willing to have the trust be hit with as many trustees costs

income and principal

I am entitles to add or withdraw without instructing a trustee to pay me. it is an option that I may wish to exercise providing that we may discover a need for a trustee by then which is a remote possibility in lieu of property management companies.

section 2 a - I do not comprehend

section c - I am trying to eliminate any involvement from anyone on any decisions of a revocable trust. it is my job to keep you abreast but not that I cant buy a piece of land without your approval. In case there is a significant threat due to bio hazardous materials, that would mean that no bank will give me a loan for to begin with

Section 3e - I am not sure why u would have procured liabilities to manage my trust based on what I have stated above. What I have stated truly keeps it simple with everything paid off and just tax statements cut out at the end of the year. After all income is brought into the trust after all sales of properties I would consider rolling it into Vanguard for it to grow and no more. That should keep maintenance costs low as well.

Section 5 - We need to discuss to figure out whether to keep it or eliminate it. This Trust is about only what is listed in Schedule A. Anything else outside of it should not be the trust responsibility. I understand why there is a need to ensure that the Trust end goals are met. So let's discuss what happens if I have debt outside the trust that is not the trust responsibility. Will the government see the income in the trust and ensure that the trust pays for it. On the flip side I am allowed own my trust anyway I please. So I could potentially have a ton of debt there which will be paid off by the trust. So what are we driving towards here?

Section 6 (4-3) - I agree in part. There is a difference between being incapacitated and being disabled. When I am disabled I still own executive function. I like what is stated and I am well aware with my experience how these agencies work as I am on SSDI, Community Support Programs, Case Management, In Home Nurse Management. My big take away is that the trust now works for me given my condition and not for my daughters. Is there anything I need to prepare for ahead of time. As u can tell I like everything buttoned down so all parties are protected.

Trust Administration after my death as stated in my Summary - That's the language I need to see

Section 8 - (5-3) - I have no intention of having a personal representative, we have never discussed this and I am not sure why it is needed. Lets discuss pros and cons.

If my children are not living upon my death, my trust disbands and what is left of it is donated to charity.

My children's descendants have no shares in my trust.

7-1 The way I want the will to work is articulated in my Summary. The trust belongs exclusively to the girls and no one else unless I become incapacitated where the trust works for me and I will leave them what I can. Descendants of my children are not factored in and nor do I wish to. Now in case one of my girls becomes disabled

7-2 In the interest of keeping it simple no discretionary payments and at age 35 either they own the distributions from the trust or it shuts down

Power of Appointment

I would like to author this soon as possible so that I am aware of its contents unless it is just to execute what is stated in the summary and we need to ensure that it is.

I don't envision any corporate successor to this trust. lets eliminate this section

Article 10 - once every element of what is stated is incorporated in the trust, my trustee upon my death will act on these terms. we need o shorten this document based on the summary and keep it lean and mean. it takes away too many scenarios for the way I am seeing it and avoids clutter.

Section 10-2 - I need to understand why we need this power for bringing everything into the trust account as stated in my summary and at the most picking a portfolio of mutual funds in Vanguard. It truly is that simple and not as complicated as what is stated in the document.

Section 10-3 - should be eliminated as I don't see the need for it based on what is stated in my summary.

Digital Assets

As discussed in my email with you no one has access while I am living. If there are accounts on social media or otherwise that need to be frozen, it cannot be frozen for at least 5 years after my death and the website will run till the trust shuts down.

Section 10-6 is not applicable to me as per my summary. Everything element is sold and in my trust. It is a matter of rolling it into a mutual fund and reporting gains at the end of each taxable year.

Section 10-7 does not apply to me

Section 10-8 does not apply as no investments requiring a lease against my trust or borrowing for my trust is part of the equation.

Section 10-9 - One I am not sure who this personal representative is and 2) no loans will be entertained against my trust after I am dead and gone. I am not interested in my trustee making any negotiations against my trust. The trust simply needs to be maintained after I am dead.

Section 10-10 is not applicable.- No corporate entity would have interest in my trust nor do I need it. Farm and Ranch property is not applicable to me

Section 10-11 is not applicable to me

Section 10-12 - Not applicable nor do I wish to grant authority to subject my trust to probate

Section 10-13 makes u feel like there are number of trustees which is inaccurate. Also the terms of the trust are non - negotiable and nobody has acting power on the terms other than managing as stated in the trust terms.

Section 10-13 - Upon the death of a beneficiary, if she has not inherited her 50%, that 50% is donated to charity.

Section 3 Trustee Environmental Powers -

As I stated I intent to purchase 2 additional condos which no bank will give me a loan as their underwriting performs stringent checks as well. I would like to do away with this section or word it that during the Title and Underwriting process it was not picked up and was looked for.

Section 10 -18 - No fiduciary powers are granted by me to bifurcate trust, create sub trusts etc. An IRA trust will exist upon my death and the revocable trust will turn into irrevocable after what I stated in the Summary is executed.

Section 10-19 - Not applicable.

Section 10-20 - Any expenses reimbursed to you should be filed in court where my daughters will be privy to that so all parties are protected.

Section 11-2 - If I am living I will collect the RMD'S and will be entirely upto me as to how to use it. Assuming my daughters upon my death have already completed the terms of the trust is not subject to tax upon my death - however if it is considerably after my death, then upon my death the IRA trust will be activated and the money will sit in holding buckets until they are required to take RMD's which in that case RMD's can be distributed to them if they are in this country or should be rolled into the Vanguard Mutual Funds. Again if at age 35 criteria's are not fulfilled the trust shuts down.

I think the sections pertaining to retirement should be removed from this document. If I do not setup an IRA trust I risk them inheriting all of my IRA as indicated on the beneficiary documents.

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On Tuesday, March 12, 2019 11:35:10 AM CDT, Aaron Hall <aaron@aaronhall.com> wrote:

Hi Smeeta,

Thank for your note. I want you to be happy with the work. Let's start with your summary. I would like to help you finish this ASAP. I believe many of the concerns you raised can be explained without any changes. Many of these provisions are best practices to protect you no matter what assets you might acquire in the future.

We certainly don't draft these trusts from scratch. We use many templates and create a unique document for your concerns using language and best practices from other trusts.

Aaron Hall
Attorney

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On Tue, Mar 12, 2019 at 11:24 AM Simi Antony <simi_27@yahoo.com> wrote:

I am sorry Aaron. 5960 is a very expensive fee to have a page dedicated to my terms of the trust and all the rest language put together my attorneys that balloon out the project with nothing that truly applies to the situation such an entity's interest in farming needs, environmental needs such gas leaks, oil. I am not sure any of this is applicable to me. it semms like u charged me \$5690 to copy content out of a template with some of the terms listed. once we go thru the notes together u will see why I want certain sections removed. I can send u a summary of the notes in the document.

Thanking You

Smeeta Antony simi_27@yahoo.com (952) 403-9283(R) (952) 239-9643 (C)

On Tuesday, March 12, 2019 10:51:11 AM CDT, Aaron Hall <aaron@aaronhall.com> wrote:

Hi Smeeta,

Thank you for your notes. Adobe Acrobat indicates you wrote over 150 notes. I would be happy to work with you on these.

I need to respectfully ask that we revisit the fee associated with this project and figure out how to proceed. The fixed fee you received covered our standard process (the one I explained in our first meeting) of listening to your concerns, drafting the document, and meeting to discuss and sign the documents. I also offer to make changes for 90 days. However, the fee did not contemplate additional meetings and the time that would be required to scrutinize all of these provisions and explain the purposes for them.

This trust document incorporates language contributed by multiple attorneys from around the country over many years. In addition, the trust language has been refined by attorneys in response to court cases interpreting trusts. These are complex documents. Even attorneys find them complex. Thus, explaining all these provisions is outside the scope of the original process in the quoted fee.

I want you to be happy with your experience and your estate plan. I would like to figure out a reasonable and fair way to proceed. As a courtesy, I have responded to many email questions without additional charges. It's not my intention to make more money from this project. I enjoy working with you and I care about your estate plan.

My usual hourly rate is \$590 per hour. I would be happy to give you a discounted rate of \$490 per hour for ongoing questions and meetings. Would that be reasonable to you?

Aaron Hall
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On Sun, Mar 10, 2019 at 6:08 PM Simi Antony <simi_27@yahoo.com> wrote:

Let's talk thru my edits. My comments are included in the document

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