

# Utilizing Nevada Trusts To Solve Client Needs

## Today, Tomorrow and Beyond

Dunham Trust is specifically designed to work with financial advisors and their clients, supporting their trust needs today, tomorrow and beyond.

Consider Dunham Trust if you are interested in:

- Deepening your relationships with existing clients, their children, grandchildren and advisors.
- Attracting new high-net-worth clients and increasing assets under management from existing clients.
- Strengthening your referral network by becoming a source of referrals for attorneys and CPAs.
- Adding a new source of annual recurring income to your practice.

Equally as important, Dunham Trust works with you as your ally, not a competitor in trust services.

We provide resources and potentially significant recurring annual revenue from trust services and the potential of multi-generational asset management and relationships. See the back of this piece for more information.

With Dunham Trust as your resource, you do not need to be a trust expert to offer trust services. Simply identify when certain clients and prospects would benefit from a trust, and then call your Dunham Regional Director or Regional Marketing Associate at (800) 442-4358 to discuss the client situation and possible solutions.

Use the chart below to help you identify a client need, possible solution and the benefits of using trusts to help your clients and grow your business. Then just give us a call.

Client Need or Situation	Possible Solution	Benefit
Fear that assets given outright to children may be lost to: <ul style="list-style-type: none"> <li>• Creditors</li> <li>• Predators</li> <li>• Divorcing spouses</li> <li>• Spendthrift lifestyles</li> <li>• Poor investment decisions</li> </ul>	Place Assets in a Trust	<ul style="list-style-type: none"> <li>• Assets can be protected from creditors.</li> <li>• Can be drafted to support children according to client's wishes and there is a great deal of latitude in how rigid or flexible to make distribution provisions.</li> <li>• Options include:               <ul style="list-style-type: none"> <li>◦ Income only</li> <li>◦ Income with principal at trustee's discretion</li> <li>◦ Percentage of trust value</li> <li>◦ HEMS (health, education, maintenance and support)</li> <li>◦ Discretionary</li> </ul> </li> </ul>

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<p>A special needs individual who needs a lifetime of support.</p>	<p>Special Needs Trust (SNT)</p>	<ul style="list-style-type: none"> <li>• Allows beneficiary to receive funds from Trust while still receiving government benefits including Supplemental Security Income (SSI) and Medicaid.</li> <li>• An effective way to provide asset protection for the special needs individual while taking care of the individual without being a burden on their family.</li> </ul>
<p>At risk for future lawsuits:</p> <ul style="list-style-type: none"> <li>• Doctor</li> <li>• Dentist</li> <li>• Business Owner Entertainer</li> <li>• Professional Athlete</li> <li>• Other professionals and high net worth individuals.</li> </ul>	<p>Asset Protection Trust (APT)</p>	<ul style="list-style-type: none"> <li>• Nevada is one of only a handful of states in the country that allows an individual to create an asset protection trust where they are a beneficiary AND still obtain creditor protection.</li> <li>• Nevada has been ranked as the Number One state in the country for asset protection trusts (<i>see Dunham Trust's State Ranking Chart for more information</i>).</li> </ul>
<p>Client has appreciated assets (marketable securities, real estate, business interests, etc.) and:</p> <ul style="list-style-type: none"> <li>• Needs income</li> <li>• Would like to give to their Alma Mater, charity, church, etc.</li> <li>• Would like to diversify but does not want to pay capital gains tax</li> </ul>	<p>Charitable Remainder Unitrust (CRUT)  Charitable Remainder Annuity Trust (CRAT)</p>	<ul style="list-style-type: none"> <li>• Client (or anyone they choose) receives income for life or for a fixed period of years.</li> <li>• Client receives a current income tax deduction.</li> <li>• Income can be based either on: <ul style="list-style-type: none"> <li>◦ Fixed percentage of the value of assets (CRUT) or</li> <li>◦ Fixed dollar amount (CRAT)</li> </ul> </li> <li>• No capital gains tax due when trustee sells appreciated asset in the trust and reinvests into other investments.</li> <li>• When client passes away or at the end of the fixed term of years, the charity(ies) they name will receive the trust assets (<i>see Dunham Trust's Charitable Remainder Trusts brochure for more information</i>).</li> </ul>

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<p>Client would like assets to remain in trust for multiple generations and to avoid estate tax for up to 365 years.</p> <p>Client realizes that for asset protection and estate tax purposes it is not sufficient to plan for only one generation at a time.</p>	<p>Nevada Dynasty Trust</p>	<ul style="list-style-type: none"> <li>• Assets may remain in the trust for 365 years.</li> <li>• The trust may be funded with many different types of assets including marketable securities, life insurance, real estate and closely held business interests.</li> <li>• Assets can be protected from creditors, divorcing spouses and estate taxes for each generation while still providing a great deal of flexibility for the beneficiaries.</li> <li>• Income and capital gains that are not distributed may be protected from state income taxes.</li> </ul>

## Recurring Annual Revenue

Dunham Trust Company ensures that financial advisors receive recurring annual revenue from every trust they establish with us. This structure allows financial advisors to maintain their relationships with their clients whether they manage the assets or not.

That revenue can be realized in one of two ways:

- **Financial Advisor Named RIA:** Financial Advisor receives advisory fees
- **Financial Advisor Not Named RIA:** Dunham Trust Company shares 30% of qualifying trust administration fees with Financial Advisor.