



NEXXESS
INTERNATIONAL
ACCOUNTANTS & ADVISORS

EXECUTIVE SUMMARY AND TRUST OVERVIEW

www.nexxess.com

COMPLEX SPECIALIZED SPENDTHRIFT TRUST

OVERVIEW AND EXECUTIVE SUMMARY

Nexxess Trust Overview

There are many kinds of trusts, such as: Irrevocable, Revocable, Living and Testamentary, etc. Trusts can be simple and straightforward or complex. Ninety-nine percent (99%) of all trusts in the U.S. are created as Living Trusts, which are “revocable,” and they offer no privacy, tax advantages, asset protection or living benefits. Living trusts only help someone bypass probate, and that is it. They call it a “living trust,” but give no “living benefits.” Therefore, while bypassing probate is a great thing, it’s not what clients ultimately want. They not only want benefits at death, but they want to benefit now. Our trusts give our clients exactly what they really want when it comes to ultimate privacy, ultimate tax advantages and ultimate asset protection, not only at death but from day one of the trust creation.

The Nexxess Trust is irrevocable and complex in structure, and it comes with three main benefits. Our clients enjoy 1) complete invisibility of all assets, 2) total asset protection, allowing no creditors to ever seek to take assets, including the IRS, and 3) unbelievable tax advantages, using the current tax codes to the full extent of the codes. Trusts are legal entities that can be used to transfer, control, and manage property and/or assets for the benefit of another person or beneficiaries. Nexxess International specifically utilizes only one type of trust which will always have these characteristics: Irrevocable, Complex, Discretionary, Non-Grantor, Spendthrift, Private, Renewable and Domestic.

The spendthrift trust is derived from laws of antiquity, and it was first established in the early 1500’s by King Henry, VIII. It is a creature of the common-law legal system that is still used in most all countries of the world today. Its common-law foundation is what still today ensures that the integrity of the corpus (the assets) remain 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 and estate-tax system. The spendthrift trust is a unique type of entity, in that it has many powers and features within it that no other entity structure contains.



The terms and conditions of our spendthrift trust strictly define its unique structure and design, which insures all the benefits for which it was created. There are literally thousands of spendthrift trusts that remain today that were implemented hundreds of years ago. Even the Windsor Castle in England is known to still be a part of a spendthrift trust from the early 1500s. With the right structural planning, anyone can create a bullet-proof structure that can last for generations and protect their family assets as well.

Nexxess Trust Executive Summary

The Nexxess Trust is an extremely powerful instrument for those who use it, as it provides the ultimate tax-advantages, asset protection and invisibility of assets. To have complete asset protection, the Nexxess Trust must be Irrevocable and Non-Grantor. We separate the settlor, or creator, from the corpus of the trust for specific reasons. When assets are irrevocably transferred to the trust, they may never revert to the one who is making the endowment or transfer. Once the very first asset is placed in the trust by the “settlor,” or “grantor,” the trust is said to be “funded” and considered valid at that time. Under these terms and conditions upon creation, legal separation has occurred, and the corpus may not be breached by claimants of the settlor, the trustee or anyone.

The non-grantor designation exempts the trust from any alter ego status that brings into action the management or beneficial enjoyment by the settlor. Because the settlor “resigns” after funding the trust, there can be no ambiguity of such an alter ego claim. If the creator of a trust has management of the corpus, or is a beneficiary of the same trust, it becomes a so-called “living trust,” which has limited benefits and no tax advantages or asset protection.

The Nexxess Trust is written to comply with 7 different trust-law categories and governing laws or codes. They are;

- 1 Scott on Trust Law.**
- 2 The Restatement of Trusts.**
- 3 The Internal Revenue Code.**
- 4 UTC-The Uniform Trust Code.**
- 5 UPIA- The Uniform Prudent Investor Act.**
- 6 Statute of Frauds. And**
- 7 The Rule Against Perpetuities.**

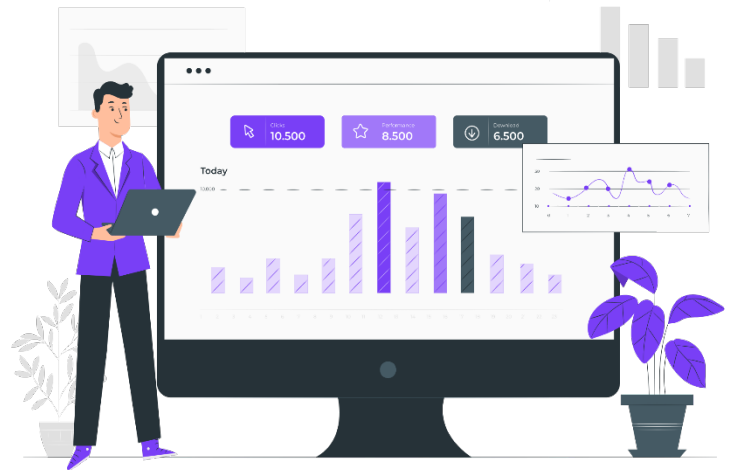
This was done so the trust corpus would be protected from turnover orders by any court or judge and be separate from legislative control or actions.

To serve the beneficiaries of the trust and protect the corpus, the trust must be complex in structure, 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); however, we can show you how this is a good thing. It's a good thing that it's

irrevocable and non-grantor. This keeps the trust from any “alter-ego claim” by a creditor or a potential “abusive trust scheme” claim by the IRS. The one who created the trust resigned and has nothing to do with the trust anymore. It would be impossible to claim either one of those things. This resignation by the grantor takes away the element of a “conflict of interest.”

Another good thing about the trust being irrevocable is that if it was “revocable,” and able to be changed then that would take away the

ability of the trust to have the three “Ultimate” benefits: **Ultimate Tax Advantages, Ultimate Asset Privacy and Invisibility, and Ultimate Asset Protection and Control.**



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 the corpus. Case law has upheld this for hundreds of years. No judge or court may issue a turnover order against any asset in a properly constructed spendthrift trust. The only two known exceptions to this rule are: 1) fraudulent conveyance to avoid a judgment, and this only applies to a trust created after litigation has been filed, not before. And 2) a judge has been able to reach the corpus assets to force someone to pay unpaid child support. Other than those two exceptions, we know of no other case law where a turn-over order was successful with this Trust.

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 asset or percent of the corpus is designated either in the trust instrument itself or by the trustee to be held or distributed to one or more beneficiary(ies), the discretionary designation of the trust would be invalid. The Trust Agreement protects the client from this. Our Trust does not “require distribution,” and therefore the Trustee may use the discretionary feature to allocate all the passive income to the corpus of the trust and not distribute anything. If, however, the Trust Agreement were to “require the distribution of income and assets, as with a Living Trust, it would not affect the asset protection but will adversely affect the taxable structure of the trust for any taxable year if such a distribution were required by the Trust Agreement.

The Internal Revenue Code is explicit and clear regarding the discretionary nature of our 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, then this is not income to the trust according to Rule 643. Another huge advantage to this trust is that any asset held in the corpus of the trust, when sold, is not subject to capital gains taxes, as long as the proceeds from the sale go back to the Trust corpus (bank account or title deed) and is not distributed to any beneficiary. (See IRC Rule 643A and 643B, or IRS Private Letter Ruling 133314-14).

TRUST INCOME AND TAX CODES FOR THE EXECUTIVE SUMMARY



The section below is the main part of the tax code that we use to explain how the IRS applies capital gains and passive income within our unique specialized spendthrift trust. In short, there are no capital gains tax on investment gains if the gains stay in the trust corpus and are not distributed to beneficiaries.

Internal Revenue TITLE 26, Subtitle A, CHAPTER 1, Subchapter J, PART I, Subpart A, Sec 643 (a)(3),(4),(7) and (b) states: "(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**, or (B) paid, permanently set aside, or to be used for the purposes specified in section 642(c). Losses from the sale or exchange of capital assets shall be excluded, except to the extent such losses are taken into account in determining the amount of gains from the sale or exchange of capital assets which are paid, credited, or required to be distributed to any beneficiary during the taxable year. The exclusion under section 1202 shall not be taken into account. (4) Extraordinary dividends and taxable stock dividends for purposes only of subpart B (relating to trusts which distribute current income only), 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. (7) Abusive transactions The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including regulations to prevent avoidance of such purposes. If the estate or trust is allowed a deduction under section 642(c), the amount of the modifications specified in paragraphs (5) and (6) shall be reduced to the extent that the amount of income which is paid, permanently set aside, or to be used for the purposes specified in section 642(c) is deemed to consist of items specified in those paragraphs. For this purpose, such amount shall (in the absence of specific provisions in the governing instrument) be deemed to consist of the same proportion of each class of items of income of the estate or trust as the total of each class bears to the total of all classes. (b) Income for purposes of this subpart and subparts B, C, and D, the term "income", when not preceded by the words "taxable", "distributable net", "undistributed net", or "gross", means the amount of income of the estate or trust for the taxable year determined under the terms of the governing instrument and applicable local law. **Items of gross income constituting extraordinary dividends or taxable stock dividends which the fiduciary, 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."**

FOUNDATIONS AND PROVISIONS OF OUR TRUST

The **Non-Grantor Provision** in the Nexxess 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 (the 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, it 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. Grantor trusts essentially allow access to the assets by the court. One last thing to consider about grantor trusts is that the IRS labels all “abusive tax schemes” as either “grantor trusts or foreign trusts.” This one fact alone would be enough to never operate from a grantor trust position.

The **Irrevocable Provision** offers potential tax advantages and legal protection from all liability, if properly constructed and executed. Irrevocable trusts do not pay taxes on capitalization, and endowments are generally beyond the reach of creditors and judgments. To have asset protection, the trust must be irrevocable and non-grantor.

The **Complex Provision** allows the trust to be exempt from the requirement to distribute any of its income to beneficiaries. A simple trust must pay all income to the named beneficiary or beneficiaries annually. However, the complex provision gives our trust the best of both worlds. While it can distribute the income to the beneficiaries if the trustee wants, it is not required to do so either. The trustee has the discretion to hold the income and not pay or credit a beneficiary.

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.

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 for hundreds of years and will continue to uphold it. No judge or court may issue a turnover order against any asset in a properly constructed spendthrift trust. This one provision is likely to be the most powerful of all the provisions of the trust. In fact, this provision is so powerful, that we will talk in much greater detail about how this is not only a Specialized Spendthrift Trust, but it’s known as a Spendthrift Trust Organization.

EXECUTIVE SUMMARY: FINAL POINTS

There are many people who try to invalidate our program or say that our trusts are illegal or something like that. If that were true, then it would be the biggest headline in the news that more than 150,000 known trust clients who currently operate this structure (the Spendthrift Trust Organization) in the U.S. have invalid trusts. Not only that, but they would also have to conclude that somehow in more than 50 years of filing taxes, between the 17 different companies that have sold or offered this product, that somehow all the IRS Tax Officials have completely been inept to review taxes for the last 50 years (since the 1970s) and have overlooked several million “illegal” tax filings. Do you see how silly this would sound?

It would mean that not only would more than 150,000 people have invalid trusts but more than 5 million tax returns over the last 50 years are in error and every single IRS Agent that reviewed the returns were completely inept to do their job. This is completely impossible and not even reasonable.

It is way more reasonable to conclude that in 50 years of this product being widely sold in the U.S., that it is completely legal and follows the letter of the law, otherwise there would be widespread caselaw and open forums talking about its shortcomings. A popular saying is the proof is always in the pudding. That “pudding” is case law. Another popular saying is “If it’s not in case law it doesn’t exist.”

Well, not only has this not happened, but the exact opposite has happened. People are opening their eyes to the power of the tax code when savvy people will stop listening to the nay-sayers and start thinking for themselves. Even on the IRS website, the tax fraud schemes will always be found as foreign trusts and revocable trusts. One hundred percent of tax fraud schemes always fall into one of those two categories. We have not found one abusive tax scheme on the IRS site or in case law that was an Irrevocable, Non- grantor, and a Spendthrift Trust Organization. **It just doesn’t exist.**

At the end of the day, only reason and logic will win this argument. Our trusts can be used in all 50 States and in at least 185 Countries for business. Our trusts follow all banking regulations and work in conjunction with IRS Code, supporting the reduction of tax fraud/schemes¹. The Nexxess 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.



¹ Internal Revenue Service, “Is It Too Good To Be True? Recognizing Illegal Tax Avoidance Schemes,” Publication 3955, Aug. 2003

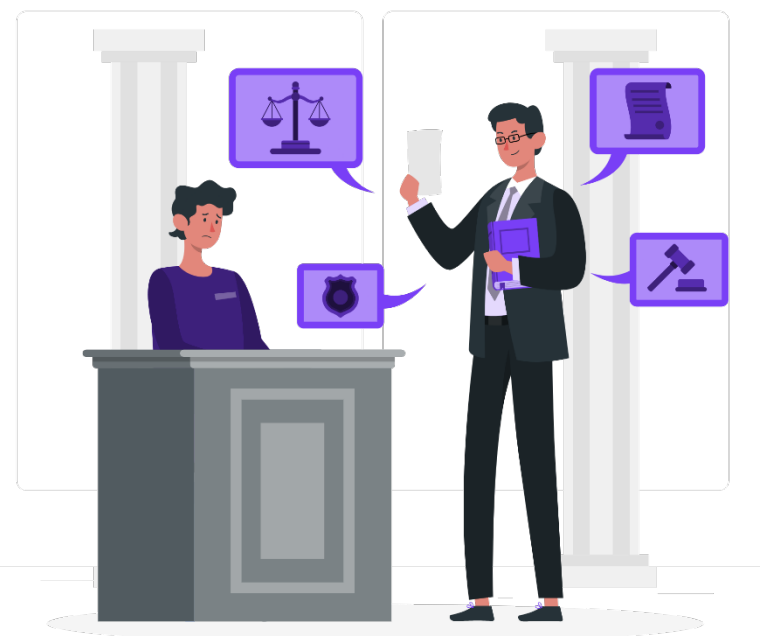
THE AMAZING LEGAL POWERS OF THE SPENDTHRIFT TRUST ORGANIZATION

A **Spendthrift Trust Organization** provides the safest road to freedom permitted by law. It provides the ultimate in tax immunity, ironclad asset protection and the best way to acquire asset invisibility or privacy. When a person correctly transfers assets into a properly structured Spendthrift Trust Organization, he or she can maintain 100% control of, and have all the benefits of ownership without any inherent liabilities. Those liabilities are bankruptcy, divorce, lawsuits, liens, levies, or death, etc.

The word “trust” is defined by Black’s Law Dictionary as a “right of property, real or personal, held by one party for the benefit of another.” The trustee(s) hold the legal and equitable title to the property for “the benefit of” the beneficiaries. Neither the trustee(s) nor the trust itself owns the properties. They merely hold title to the assets, but they do not hold “equitable title” to anything. Technically, the beneficiaries own everything in the trust “eventually,” but not necessarily. That is exactly the secret sauce to this trust. On paper, the assets appear to be held “in-trust” for the beneficiaries, so we say the beneficiaries technically own everything. It’s easier to say the assets are “RESERVED” for the beneficiaries, indefinitely. So, effectively the trust is like an “escrow account.” However, not one of our clients ever GIVES any assets to the beneficiaries, so “effectively,” even though the trust only holds title, the “equitable title” is merely “RESERVED” for the beneficiaries. Furthermore, the assets are only physically given to the beneficiaries if and only if the trustee so desires to do so. The beneficiaries have no say in the matter.

Some say this is a difficult thing to understand. So, we compare trust assets as similar to a mortgage title company escrow account. When the lender sends the money to the title company, the title company doesn’t OWN the money. It’s simply held in the bank account of the title company until the lender “approves” the funds to be dispersed, pending everything was correct and signed for. In the same way, the trust is like the “escrow account” of the title company. All assets are held in escrow until the trustee decides in his or her own discretion to approve the assets to go to the beneficiary. If income or assets are given to a beneficiary, it would trigger taxable events.

The beneficiaries only own the assets in the trust if they are transferred to them by title or deed by the trustee. But, until that happens, they own nothing in the trust. They do however have rights to the benefits, proceeds and profits of the assets or



properties, if the trustee allows it. One thing to remember is that the trustee is responsible for all the assets, and this is a spendthrift trust, meaning the beneficiaries only are allowed what is “given to them,” and it’s at the complete discretion of the trustee. So, when the trustee allows this access, it is called “beneficial interest.” This beneficial interest is contractually non-assignable interest, and it’s for that reason specifically that any creditor of the beneficiaries may never legally attach trust assets to a debt obligation of the beneficiary. Also, assets conveyed into a trust is never a “gift” to the trust. Because the assets in our trust hold no “equitable title,”

Beneficiaries do not have any management or control of any trust assets EVER in a Spendthrift Trust Organization. A Spendthrift Trust Organization is “created” or given life through a “contract” in the form of a manifestation of intention in the terms and conditions of the trust, often referred to as the “instrument” or “trust instrument.” In addition to this, these “contracts” or “instruments” do not owe their existence to any acts of legislature. The authority for its creation is the common law right to contract by each party.

According to American law, the government **cannot regulate or impose a tax upon a “right.”** Our “right to contract,” according to the U.S. Constitution, Article 10, **is unimpartable**. This means that it is beyond the rights or powers of the government, even for a judge or court, to change even one word of a Contract of Trust. Once the trust is funded and active, and the first property or asset is transferred into the Spendthrift Trust Organization, it is subject to its own indenture, which governs and protects all properties or assets held by it. Also, assets conveyed into trusts are not gifts, and may not be considered as such because there is no equitable title conveyed to any person or entity. All assets are technically held in the corpus for the benefit of the beneficiaries. As we mentioned before, they may hold a beneficial interest but no title to the assets.

It’s very important to understand that any property held by a properly structured Spendthrift Trust Organization is immune from tax liens, levies, seizures, lawsuits, divorce claims or bankruptcy. The Spendthrift Trust Organization is not liable for the debts of the trustees, or the beneficiaries, and assets in the corpus can NEVER be reached by a court to satisfy debts of trustees or beneficiaries. Likewise, the trustees and beneficiaries are never personally liable for any debts of the spendthrift trust either **[Hussey v. Arnold 182 U.S. 461,21 S. Ct.645 (1904)]**.

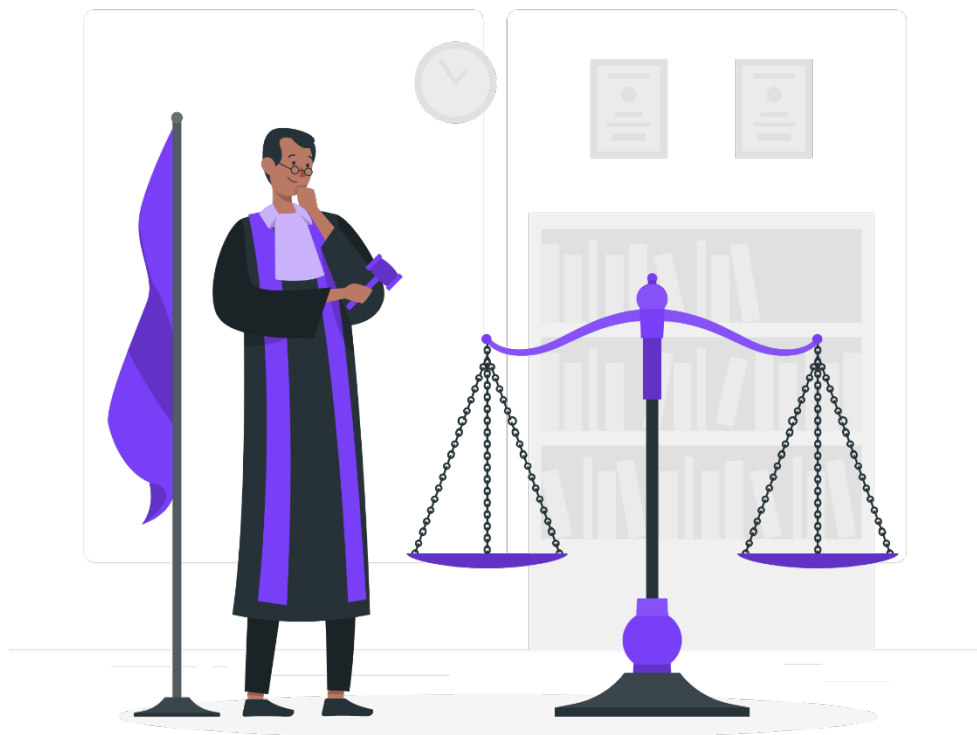
In **[Weeks v. Sibley DC 269 F. 155 (1920)]**, **[Edwards V. Commissioner. 41512 F. 532, 10th Cir. (1969)]**, and with **[Philips v. Blanchard 37 Mass 510]**, the courts ruled that a Spendthrift Trust Organization is not illegal even if formed for the express purpose of reducing or deferring taxes. **[Edison California Stores, Inc. v McColgan. 30 Cal 26472.183 P2d 16]**. ruled that persons may adopt any lawful means for the lessening of the burden of income taxes; The Department of the Treasury, IRS Handbook for Special Agents § 412, Tax Avoidance Distinguished from Evasion states; **“Avoidance of Taxes is not a criminal offence. Any attempt to reduce, avoid, minimize, or alleviate taxes by legitimate means is permissible.”**

Pursuant to **[Narragansett Mut. F. Ins. Co. vs. Burnhamun 51 r1371, 154 a 909]**, it is not an evasion of legal responsibility to take what advantage may accrue from the choice of any form of

organization permitted by law. Also, a Spendthrift Trust Organization is not considered a taxable “Association” pursuant to tax law. Black’s Law Dictionary defines Association as follows: What is designated as a trust or partnership may be classified as an association [only] if it clearly possesses [all] corporate attributes. Corporate attributes include: [1] centralized management, [2] continuity of existence, [3] free transferability of interest, [4] limited liability.

Another major advantage to operating a **Spendthrift Trust Organization** as a business is that because it is not a creature of the legislature, it is not subject to the myriad of strangling legislative controls, rules and regulations that are applicable to corporations and other legislative entities. The Supreme Court case **[Eliot v. Freeman 220 US 178]** ruled that a **Spendthrift Trust Organization** is not subject to legislative control. The Supreme Court holds that the trust relationship comes under the realm of equity based on common law and is not subject to legislative restrictions as are corporations and other organizations created by legislative authority.

Therefore, a Spendthrift Trust Organization is not an “association” or an “unincorporated association,” because it does not possess the same attributes of a corporation. Furthermore, unlike a corporation, a Spendthrift Trust Organization is not an “artificial entity,” nor does it owe its existence to the charter power of the State. It is formed by contract law, and not State Legislature or any governing body. It’s not an “alter ego” or a “nominee” for any trustee or beneficiary because no one person holds both legal and equitable title to assets inside the trust. With no equitable title and beneficial interest held by no one person or individual there can be no gift to the trust and therefore no gift tax consideration to any asset conveyed to the trust applies. All assets conveyed into the trust are either purchased assets or products of “capitalization,” which has no tax consequences.



OTHER LEGALITIES ABOUT THE SPENDTHRIFT TRUST ORGANIZATION

- ▶ Only licensed Attorneys are permitted to give legal advice, create, and sell legal documents (wills and trusts) and practice law. Never buy a trust from an individual, but only through a competent law firm with years of experience.
- ▶ Our Nexxess Trust is distributed by Rod Brock, a local attorney in the Dallas/Fort Worth Area, and/or his affiliates.
- ▶ Purchasing a trust from representatives outside the legal profession can mean you have potentially bought an invalid trust document and purchasing a copyright from those who are not authorized to distribute one is illegal.
- ▶ The Nexxess accountants have already been through several audits with this trust and the IRS made NO CHANGES to the reported tax or tax return.
- ▶ Included in the price of your trust, you will be provided with nearly 50 required legal documents to perform necessary trust business.
- ▶ **Our trusts were written to comply with 7 different trust-law categories and governing laws or codes.** They are; 1. Scott on Trust Law. 2. The Restatement of Trusts. 3. The Internal Revenue Code. 4. (UTC) Uniform Trust Code. 5. (UPIA) Uniform Prudent Investor Act. 6. Statute of Frauds. And 7. The Rule Against Perpetuities. This was done so the Trust Corpus would be protected from turnover orders by any court or judge.
- ▶ Our unique integration of 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 what is known as a “living trust” which only has limited benefits. Without our unique application of the non-grantor designation the trust would lose the 3 main benefits of ultimate privacy, tax advantages, and asset protection. Furthermore, your trust would then only be considered a “living trust” by the IRS and only have one benefit: to bypass probate.
- ▶ Assets transferred into this trust are NOT subject to a “5-Year Lookback” for nursing home and Medicaid benefits. The IRS imposes a 5-Year lookback when people transfer assets to a “Living Trust” because living trusts can revert the assets back into the name of the grantor. The Nexxess Trust is an Irrevocable, Non-Grantor trust, meaning, that when you put assets into this trust, they can NEVER revert back to the person who

transfers or sells them into this trust. Therefore, someone can sell assets to this trust, and the very next day qualify for Medicaid benefits to any nursing home.

- ▶ **EVEN WHEN DISBURSED TO A BENEFICIARY, TRUST ASSETS ARE UNTOUCHABLE:** In a Spendthrift Trust Organization, once any assets are distributed to beneficiaries, they remain as “exempt assets.” Exempt Assets of this trust are beyond the turnover order of any court or any operation of law when used legally. No creditor of any Beneficiary can ever reach the corpus of the trust (assets) nor can they ever reach the personal assets of the Beneficiary(ies) once they receive it because they are assets from an ‘**exempt source**’ and are still protected after the Beneficiary receives them.

TEXAS CASE LAW UPDATE

Burns v. Miller, Hiersche, Martens & Hayward, P.C.
948 S.W.2d317 (Tex. App—Dallas 1997 writ denied)

(TRIAL COURT DECISION WAS OVERTURNED BECAUSE OF SPENDTHRIFT PROVISIONS)

The Trial Court ordered beneficiary to turn over property to a receiver for use in paying a creditor of the beneficiary. The Trial Court INCORRECTLY included all disbursements from spendthrift trusts within the scope of the turnover order.

However, the Appellate Court reversed holding that beneficiary’s interest in Spendthrift trust assets are exempt property under the turnover statute (Civ. Prac. & Rem. Code §31.002). The creditor pointed out that once the trustee pays or delivers the trust assets to the beneficiary, they are no longer exempt. **Trust Code § 112.035 (a).** However, the turnover statute provides that a court may not enter or enforce an order that requires the turnover of “the proceeds of, or the disbursement of, **property exempt** under any statute.” **Civ. Prac. & Rem. Code §31.002(f).** “Thus, even when property is no longer exempt under any other statute, if it represents proceeds or disbursements of exempt property, it is **not subject** to a turnover order.” *Burns at 323.*

Moral of the story: Even distributions from Spendthrift trusts are protected from turnover orders because the property was received from an “exempt source.”

6 TYPES OF PASSIVE INCOME

...NOT CONSIDERED "INCOME" TO THE TRUST¹ by IRS.

According to IRC (Internal Revenue Code) TITLE 26, Subtitle A, CHAPTER 1, Subchapter J, PART I, Subpart A, Sec 643, STATUTE (3) and (4) and (7)(b)...

(b) Income for purposes of this subpart and subparts B, C, and D, the term "income", when not preceded by the words "taxable", "distributable net", "undistributed net", or "gross", means the amount of income of the estate or Trust for the taxable year determined under the terms of the governing instrument and applicable local law. Items of gross income constituting extraordinary dividends or taxable stock dividends which the fiduciary, 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.**



01

RENTAL INCOME (RENTS)



02

ROYALTY INCOME (ROYALTIES)



03

INTEREST INCOME (INTEREST)



04

DIVIDEND INCOME (DIVIDENDS)



05

K1 - PASSIVE INCOME (K1s)



06

CAPITAL GAIN INCOME (Cap Gains)

¹ THIS TYPE OF TRUST MUST BE AN IRREVOCABLE AND COMPLEX TRUST, AND THE INCOME MUST BE ALLOCATED TO CORPUS BY THE TRUSTEE (not distributed) TO NOT BE CONSIDERED INCOME BY THE IRS.

NEXXESS TRUST KEY POINTS AND FEATURES

Our Trust is guaranteed to be compliant and consistent with the U.S. Constitution, U.S. Supreme Court, and other case law court decisions.

- ✓ It is easy to establish, can be maintained by you and involves minimal paperwork. It greatly reduces or eliminates fees and taxes.
- ✓ It can be used to defer taxes inter-generationally.
- ✓ It is lawful in every state. A spendthrift trust properly established in one state can operate in any other state or country.
- ✓ It is made irrevocable to avoid any questions as to ownership of the assets (however it is modifiable should changes wish to be made (i.e. Trustee(s) and or Beneficiaries).
- ✓ It can prevent information about your assets, liabilities, and heirs from becoming public.
- ✓ It has significantly less liability than a C-Corp, S-Corp, or LLC. The advantages include no annual fees and a much smaller tax burden.
- ✓ It has no periodic reports or accounting to make to any state. This trust is a federally chartered entity and not a creature of the Legislature like LLCs or Corporations.
- ✓ It has the same constitutional rights as any individual, including the right to privacy, freedom from unwarranted search and seizure, to refrain from self-incrimination and all other rights.
- ✓ Assets and cash that are moved into our trust, through the endowment of the corpus, is totally tax deferred.
- ✓ When the spendthrift trust is used in a legal manner and under the provisions of the Spendthrift, it is impenetrable by creditors, agencies, or governments, and it is immune from transfer by operation of law (Eminent Domain).
- ✓ A divorce or personal bankruptcy has no effect on the spendthrift trust assets.

WHO CAN BENEFIT FROM THE NEXXESS TRUST?

- ▶ Anyone wanting to reduce or eliminate the need for professional liability insurance (Doctors, Professionals, or Business Owners).
- ▶ Anyone looking to render themselves virtually judgment-proof.
- ▶ Anyone looking to drastically reduce both business and personal tax liability for Ultimate Tax Advantages.
- ▶ Anyone looking for protection of property from Eminent Domain.
- ▶ Anyone wanting to maintain Ultimate Privacy and Anonymity.
- ▶ Anyone tired of the traditional tax system and willing to change their structure and discover ways to avoid traditional taxation methods.
- ▶ Large or Small Family Farms that never want to be taxed when someone dies.
- ▶ Large estates that want to avoid paying for a “taxable estate.”
- ▶ Anyone who needs their assets beyond the reach of creditors or greedy attorneys for Ultimate Asset Protection.
- ▶ Anyone who is tired of paying CAPITAL GAINS and needs an indefinite deferral method that never ends.
- ▶ Anyone with a family member who might need Medicaid Nursing Home Care in the future and is not prepared to pay \$3,000-\$4,000 per month.

HOW TO CONTACT US:

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