

802.71

Verne, B. Michael

From: [Redacted]
Sent: Tuesday, January 24, 2012 12:57 AM
To: Verne, B. Michael
Cc: [Redacted]
Subject: Questions re Trusts

Mike,

Can you help me with two questions about trusts?

1. Trusts A and B are each their own UPE. They are irrevocable, the settlor has not retained a reversionary interest, and no one has the right to remove and replace 50% or more of the trustees. The trustees of A and B, in their capacities as such, jointly create a new irrevocable Trust C (and are identified in the trust document as the settlors of Trust C) for the same beneficiary, and transfer all the assets of A and B to C. Trust C (unlike A and B) is controlled by the beneficiary, who has the right to remove and and replace the trustees. We believe this is exempt under 802.71 as a transfer by a settlor to an irrevocable trust - do you agree?

2. Trust X is its own UPE. It is irrevocable, the settlor has not retained a reversionary interest, and no one has the right to remove and replace 50% or more of the trustees. The settlor of Trust X creates a new Trust Z (which he controls by virtue of the right to remove and replace the trustees), with the same beneficiaries as Trust X. In response to the request of the settlor, the trustees of Trust X transfer all the trust assets to Trust Z pursuant to authority they have under state law to transfer trust property to another trust for the benefit of the same beneficiaries with the consent of the beneficiaries. No consideration is given for this transfer. We believe this is also exempt under 802.71 as either a gift, or a transfer by a settlor to an irrevocable trust - do you agree?

Thanks,



AGREE ON BOTH.
K. WALSH CONCURS.
BM
1/24/12

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