

## SETTING UP NEW ACCOUNTS

- *A while ago, we saw a post from Dehtarheelgirl about exchange procedures. I will repost some of them below. When I asked Deb to clarify some things, she told me she was not the author, but that it was written by a retired UST officer. My guess is he knows what he's talking about. I have also heard this same information from a lecturer who believes this is the best way to go. Please understand these are merely suggestions. Obviously, I don't know how much we will be able to do at this initial appointment, but these are really good suggestions. The lecturer stresses NOT to commingle current US Dollars with new Treasury currency, so your present accounts may be redundant.*
- 1. Open up a separate account for each kind of currency i.e. Account #1a for IQD and Account #1b for VND. The reason for separate accounts for different currencies is to differentiate, if necessary for tax purposes, between currencies which were tradable and currencies which were not tradable prior to revaluation. It is our understanding that the revaluation of a tradable currency is not, in and of itself, a taxable event. (The following steps 3 thru 6 must be followed with each currency separately. You may combine the separate currency account assets into the Holding Account at step 7).
- 2. Once Account #1 is opened, deposit your currency into the account and exchange into the new Treasury currency.
- 3. Immediately have the bank open a second account (Account #2) and have the bank “sweep” everything from Account #1 into Account #2. Have the bank close Account #1. Repeat this step for Account #3 and have the bank sweep Account #2 into Account #3 and close Account #2. The reason you are doing this is that the bank is required to report the opening of Account #1 to the federal government and that information can find its way into the public domain; however, the bank is NOT required to report intra-bank transfers between accounts. What this does is effectively eliminate your digital trail so that nobody outside of the bank knows how much money you have on deposit and, more importantly, whether or not you are a good target for a lawsuit. You will do this for the IQD account and VND account, ZIM account and any other currencies you may hold.
- 4. If there is a need to utilize funds for personal use or to pay for a trust to be established, it is encouraged to pull these funds either in cash (less than \$10k), or in a cashier's check on your first visit and take it to your respective bank. Use Account #3 for this.
- 5. It is IMPERATIVE to request a “clean and clear certificate” while you are at the bank on your FIRST visit. This certificate states that your money is clean and clear of all criminal activities to which it could be associated. **It is encouraged to get NO LESS THAN 20 COPIES!!!** I was told that the bank “should” offer 3 copies but will charge for additional copies. Pay for them! The purpose for these is for future use for your money. You may be requested to prove where your funds came from and if they are clear of criminal activity. These certificates prove that the bank certifies that your funds are clean and clear.

6. Once the funds are in the trust account; it is encouraged to establish no less than 4 sub accounts within the Trust. I will label and describe them below. *(Some have suggested these four sub accounts, for all the different currencies. Personally, I think that's a little excessive.)*
- a. Mother Lode Holding Account – This will be a non-interest bearing account which will hold the bulk of your funds. *You DO NOT want online access or debit cards for this account. Checks only.*
  - b. Tithe Account – 10% of your funds to be used for charitable giving. *You probably won't need online access or debit cards for this account. Checks only.*
  - c. Mad Money Account – 10% of your funds to be used for self-indulgent playing, vacations and luxury purchases. *I suggest a different name than Mad Money. 10% may be excessive. Online access, debit cards and checks should be OK for this account.*
  - d. Tax Account – You are encouraged to hold 15% - 50% of your funds for a year to offset any possible tax implications. If there are no tax implications after a year, have the bank “sweep” these funds back into the Holding Account and close this account. *You probably won't need online access or debit cards for this account. Checks only.*
  - e. Project Account – We recommend no more than 20% of your funds in this account. This account will be the funding source from where all funds will come for business ventures and projects. *You probably won't need online access or debit cards for this account. Checks/ personal banker only.*
  - f. Maintenance/Household Account (Personal Accounts) – This is the only account that WILL NOT BE IN TRUST!!! This account will be the one you use daily. This account should never hold over \$50k for liability purposes. If the exchange is indeed a tax free event, we should take advantage of that by taking out some money first, before it goes into a Trust account.
  - g. As this account is depleted, it can be funded with a reoccurring transfer from the “Holding Account” in the form of a monthly stipend (such as Trustee compensation) that shall be used to cover monthly expenses. *Online access, debit cards and checks should be OK for this account.*
7. Remember that the Trust(s) will purchase, provide and own everything that you need. You own nothing, but control everything. While you will probably want to pay off your existing mortgage, you should still create a mortgage from Trust. The reason you still want to be making monthly mortgage or loan payments is because these liens “encumber” an asset and make it less desirable to someone looking for assets to attach. If you are over 62 you may wish to consider a reverse mortgage.

8. When ordering checks from your bank request them to print the following above the signature line: *"Acting strictly in the capacity of Trustee"*. Any check printing company should be able to do this. Also, ask that the word "Trustee" is printed either above, before, after or directly below the signature line. They may or may not be able to this. If they can't accommodate your request, just write the word "Trustee" after your signature.
  
9. When ordering Debit Cards ask for them in your name only, NOT the name of the trust. For further protection, use pre-paid cards. If offered a high limit Credit Card, take the Platinum rather the Black, which is indicative of the very wealthy, and could identify you as a target. Remember non-RFID enabled!