



TRUSTS in the USA

There are many reasons to consider a Trust. You may want to distribute assets and avoid probate or creditors, or provide for a disabled loved one. Depending upon your specific intent or purpose, you may wish to keep control of the asset or money you put into the Trust, or you may elect to appoint another trusted person as the Trustee and direct that person to carry out your intentions.

A Trust can be created within a document during a person's lifetime and survive the person's death. The person making the Trust is the Grantor or trust maker. The Grantor appoints a Trustee in the Trust document who will then carry out the intent of the Trust. A trust can also be created within a Will and become effective upon death. Once assets are put into the trust they belong to the trust itself, not the Trustee, and remain subject to the instructions set forth within the trust document or contract. The Trustee may own money or assets in the name of the Trust and is generally directed within the Trust document to use that money or asset for the benefit of another or even the Grantor who set up the Trust. The trustee is the one who holds title to the trust property, and the beneficiary is the person who receives the benefits of the trust. The basic types are revocable and irrevocable.

Revocable Trusts

Revocable trusts are created during the lifetime of the trustmaker and can be altered, changed, modified or revoked entirely. These are often called Living Trusts. The trustmaker transfers the title of a property to a trust, serves as the initial trustee, and has the ability to remove the property from the trust during his or her lifetime. Revocable trusts are extremely helpful in avoiding probate. If ownership of assets is transferred to a revocable trust during the lifetime of the trustmaker so that it is owned by the trust at the time of the trustmaker's death, the assets will not be subject to probate. However, these assets will remain available to the trustmaker's creditors.

Irrevocable Trust

An irrevocable trust is one which cannot be altered, changed, modified or revoked after its creation. Once a property is transferred to an irrevocable trust, no one, including the trustmaker, can take the property out of the trust.

Asset Protection Trust

An asset protection trust is a type of trust that is designed to protect a person's assets from claims of future creditors, including Medicaid.

Charitable Trust

Charitable trusts are trusts which benefit a particular charity and are established as part of an estate plan to lower or avoid imposition of estate and gift tax.

Special Needs Trust



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A special needs trust is one which is set up for a person who receives government benefits so as not to disqualify the beneficiary from such government benefits. This is completely legal and permitted under the Social Security rules provided that the disabled beneficiary cannot control the amount or the frequency of trust distributions and cannot revoke the trust.

By establishing a trust, which provides for luxuries or other benefits which otherwise could not be obtained by the beneficiary, the beneficiary can obtain the benefits from the trust without defeating his or her eligibility for government benefits.

Spendthrift Trust

A trust that is established for a beneficiary which does not allow the beneficiary to sell any asset in the trust is known as a spendthrift trust. This trust is set up to protect the asset from the beneficiaries' creditors.

To Create a Trust you need an Attorney

The attorney can tailor the Trust to accomplish whatever intent you might have.

A sample Trust that I created for my son is set forth below as an example only. Every Trust is different!

SAMPLE TRUST

The Ryan Alan Saasto Trust

THIS AGREEMENT OF TRUST is entered into in the State of New York, this day of December, 2018, by and between Ryan Alan Saasto, as Grantor and Robert Alan Saasto, as Trustee. This IRREVOCABLE TRUST, shall be known as the “ The Ryan Alan Saasto Trust.”

WITNESSETH:

The Grantor desires hereby to create an irrevocable trust, to be known as “The Ryan Alan Saasto Trust,” for the purposes and on the terms and conditions hereinafter set forth, which Trust hereinafter is referred to as “The Ryan Alan Saasto Trust.”

In consideration of the agreement of the Trustee to accept the Trust, the Grantor has, contemporaneously with the execution of this Agreement (“Agreement”) agreed to deliver to the Trustee 2000 shares of Vector Max stock, such that the Grantor shall hereinafter have no interest or control over such property, the receipt of which property or proceeds the Trustee hereby acknowledges.

ARTICLE I



FUNDING

Initial Funding. The Grantor does hereby transfer to the Trustee all of the following assets of the Grantor:

2000 shares of Vector Max stock.

Additional Funding. From time to time the Trust may be funded with additional assets or additional shares of Vector Max owned by the parents of the Grantor herein, or money or income or dividends resulting from any investments, including real estate, of the Trust proceeds, or from sums of money transferred, assigned, conveyed, or delivered to the Trustee, and all investment and reinvestment thereof, are herein collectively referred to as the “trust estate” and shall be held, administered, and distributed by the Trustee in accordance with the terms of this Trust Agreement.

ARTICLE II

TRUST PROVISIONS DURING THE GRANTOR’S LIFETIME

Distributions of Income and principal. While the Grantor is living, the Trustee shall hold, manage, invest and reinvest the property or trust estate herein, including any real estate investments, collect and accumulate the income therefrom, and pay or apply so much of the net income and principal, at such time or times as the Trustee, in his sole and absolute discretion, may deem advisable to or on behalf of the Grantor, for his health, support, maintenance, comfort and welfare and support. Any income that is not distributed shall be added to the principal of the Trust.

While the Grantor is living, the Trustee shall distribute so much or all of the income and principal, if any, of this Trust, together with any accrued and undistributed income, to any individual (other than to the Grantor’s creditors) in such amounts or proportions, as the Trustee may direct, to or for the benefit of the Grantor, provided however, in no event shall this power be exercisable in favor of the Grantor’s estate, his creditors or the creditors of his estate.

ARTICLE III

TRUST PROVISIONS UPON THE DEATH OF THE GRANTOR

Upon the death of the Grantor, the Trustee shall pay any taxes or administration fees, attorney fees, Trustee fees, and after payment of same shall distribute so much or all of the remaining principal, if any, of this Trust, together with any accrued and undistributed income, to Mary Ellen Saasto, the mother of the Grantor. In the event that the mother Mary Ellen Saasto, is deceased, or incapacitated, or otherwise in the discretion of the Trustee should not be a beneficiary hereunder, the Trustee shall distribute the remaining principal to Robert Alan Saasto, the father of the Grantor. In the event that both parents are deceased, the Trustee shall distribute the remaining principal to the heirs of the Grantor, in such amounts to each heir as the Trustee shall determine to be just and equitable.

ARTICLE IV

THE TRUSTEE

Initial Trustee. ROBERT ALAN SAASTO shall be the initial Trustee of the Trust.



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Successor Trustee. The Trustee shall have the right to appoint a successor Trustee. In the event the Trustee, Robert Alan Saasto, is unable to serve as Trustee, or dies before appointing a successor Trustee, the successor Trustee shall be the first of the following individuals who is willing and competent to serve as successor Trustee: Mary Ellen Saasto, and if she is deceased or unable to act as Trustee, the successor Trustee shall be Vincent Nofi, Esq. A successor Trustee shall have all of the powers granted a Trustee in this Trust Agreement.

Resignation of Trustee. Any Trustee may resign as Trustee as to the trust created hereunder at any time by giving written notice to the grantor, if living, otherwise to the successor Trustee identified in this Trust Agreement, the residuary beneficiaries of the Trust, and to those persons, if any, receiving a benefit in this Trust Agreement.

Bond. No Trustee wherever acting shall be required to give bond or surety or be appointed by or account for the administration of any trust to any court.

Trustee's Fees. The Trustee shall be entitled to reasonable fees commensurate with the Trustee's duties and responsibilities, taking into account the value and nature of the trust estate and the time and work involved. The Trustee shall be reimbursed for reasonable costs and expenses incurred in connection with the performance of his or her fiduciary duties.

Registration of Trust. The Trustee shall not be required to register the Trust with any federal, state, or local government authority.

Liability of Trustee. A Trustee shall only be liable for willful misconduct or gross negligence and shall not be liable for breach of fiduciary duty by virtue of mistake or error in judgment. No successor Trustee shall be personally liable for any act or omission of any predecessor.

ARTICLE V

TRUST ADMINISTRATION

Trustee Powers: Investment and Management of Trust Estate. Subject to any limitation stated elsewhere in this Trust Agreement, the Trustee shall hold, manage, care for and protect the trust property and shall have the powers, and privileges and be subject to all of the duties, responsibilities, and conditions set forth in the applicable state law. The Trustee shall have the right to invest in real estate.

Spendthrift. The interests of the residuary beneficiary, or the Grantor, in principal or income shall not be subject to the claims of any creditor, or others, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered.

Termination

- (a) A trustee in its discretion may terminate and distribute the trust hereunder in the sole discretion of the Trustee or if the trustee determines that the costs of



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continuance thereof will substantially impair accomplishment of the purposes of the trust.

- (b) Distribution under this section shall be made to the persons then entitled to receive or have the benefit of the income or principal from the trust.

Liability of Third Party. No person dealing with the Trustee of any trust created hereunder shall be obligated to see to the application of any money paid or property transferred to or upon the order of the Trustee; nor shall any person be obligated to inquire into the property of any transaction or the authority of the Trustee to enter into and consummate the same.

Trustee's Judgment Final. Whenever the judgment or discretion of any Trustee may be exercised, it shall be final and binding upon every person interested in the trust estate, and any Trustee exercising any discretionary power relating to the distribution of principal or income shall be responsible only for lack of good faith in the exercise of such power; provided, however, nothing contained in this paragraph shall be construed so as to broaden any standard within which the Trustee is authorized to make distributions of income or principal.

Court Supervision. The Trustee shall not be required to qualify before or be appointed by any court; nor shall the Trustee be required to obtain the order or approval of any court in the exercise of any power or discretion.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

Governing Law. The validity, construction, and administration of each trust created hereunder shall be governed by the laws of the State of New York.

Per Stirpes If one of the residuary beneficiaries is no longer in existence or is unable or unwilling to accept the sums of money herein, the entire balance shall pass to the remaining residuary beneficiary.

IN WITNESS WHEREOF I, as Grantor and Trustee, who consents hereby to be the Trustee, have signed this Trust Agreement the day and year first above written.

Ryan Alan Saasto, Grantor

Robert Alan Saasto, Trustee



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