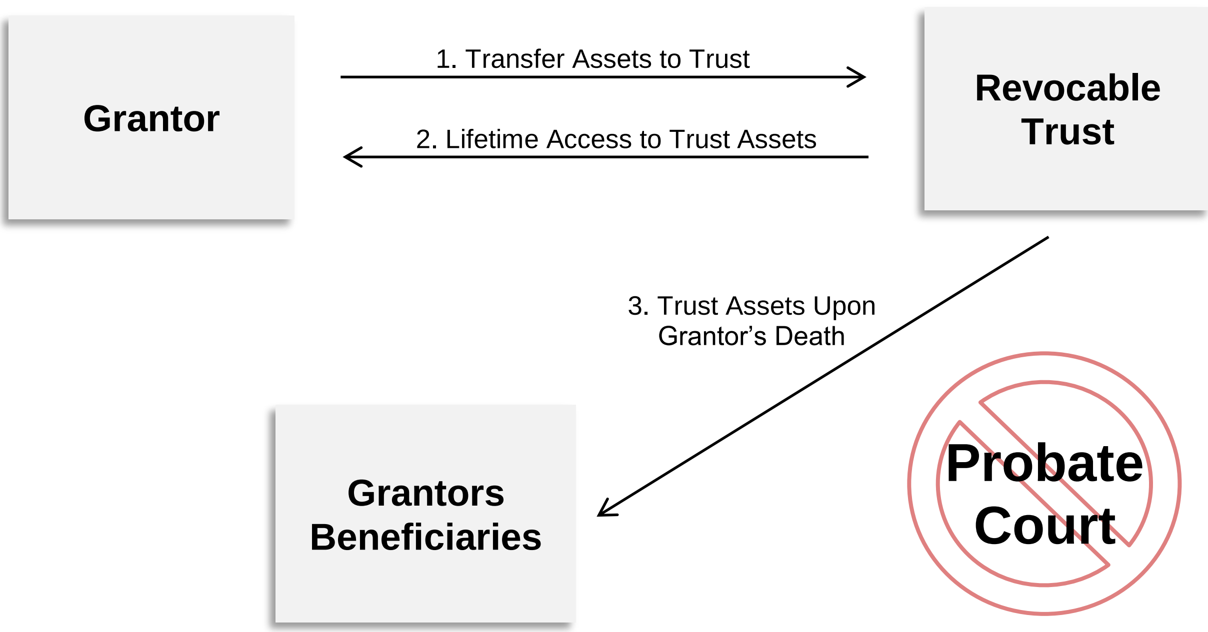
REVOCABLE LIVING TRUSTS

A revocable living trust (RLT) is created during the lifetime of the grantor (the individual creating the trust). The grantor retains the ability to amend or revoke the trust and, by serving as trustee, maintains control over the trust and its assets during lifetime. The grantor is the primary beneficiary of the trust during lifetime and receives all income and benefit from trust assets. If the grantor becomes incapacitated or dies, a successor trustee appointed by the grantor manages or administers trust assets. Assets in the trust are not subject to probate administration upon the death of the grantor. The probate administration process is expensive (filing fees, publication costs, bond, etc.) and delays transfer of assets to beneficiaries. Without a trust, probate administration is necessary in each jurisdiction in which property is owned at death.

Revocable Living Trust



Why It Is Used

- To avoid the expense and delay of probate.
- To control distribution of assets upon death.
- To provide for management of assets upon incapacity.
- To keep estate affairs private.

Tax Considerations

- Trust assets are includable in the grantor's estate for estate tax purposes.
- Trust income is taxed to the grantor(s) during lifetime.

Benefits to the Family

- Trust assets avoid expense and delay of probate.
- Keeps affairs of the estate private.
- Creditor protection for trust beneficiaries.
- Can provide for professional management of trust assets.
- Protects inheritance for spendthrift beneficiary.

Disadvantages

- Provides no creditor protection for trust assets during grantor(s) lifetime.
- Setup cost.
- Time and effort in retitling ownership of assets.