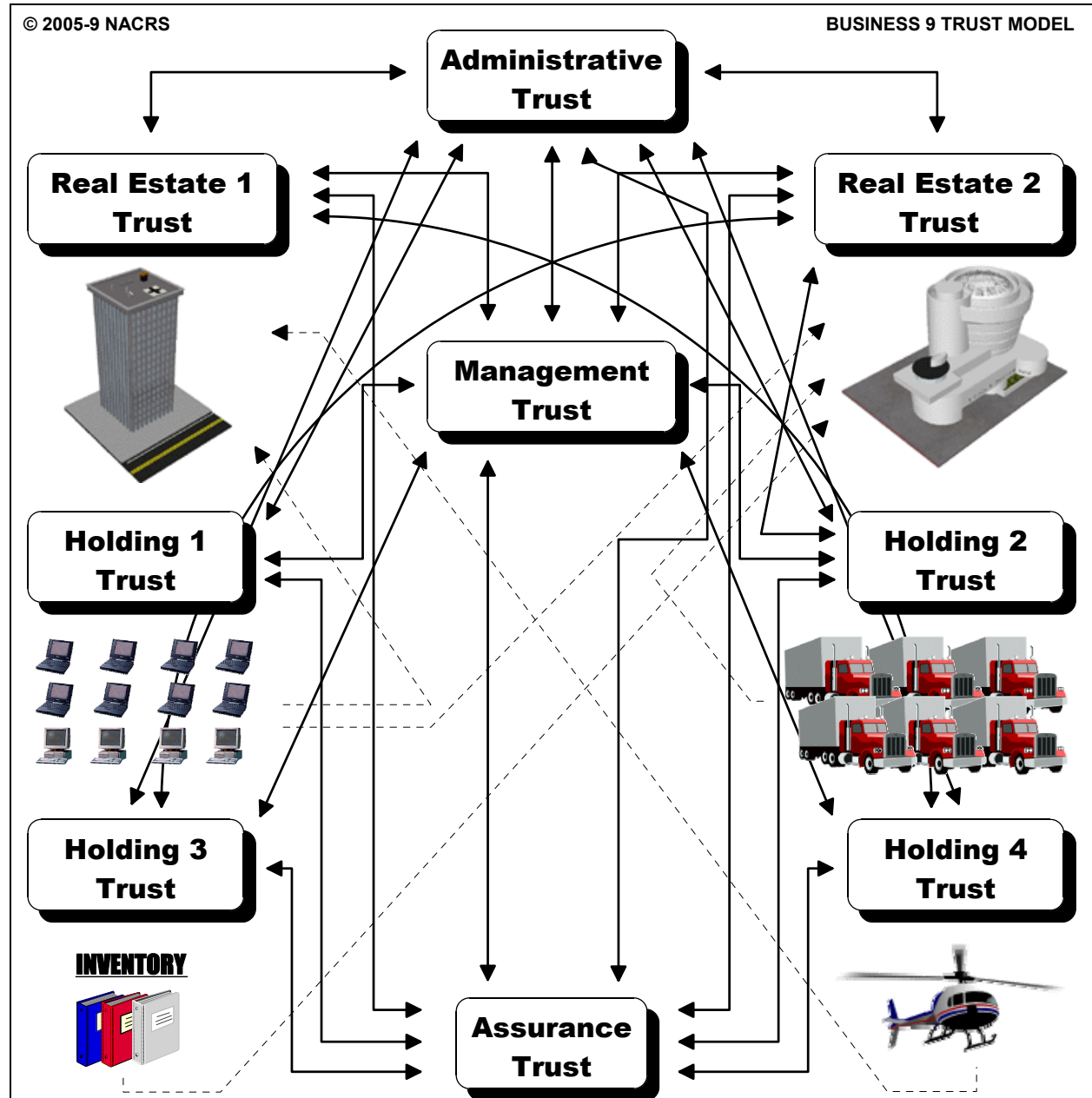


Business 9 Trust Model

This illustrates the advantages of complex diversity of ownership under your sole control in a fairly large-size business setting. Notice the specialized separation of the property held and the even finer "division of labor" between each trust keeping the business in a tight yet still flexible, still self-revolving, self-insuring network that you are the sole controller of. Here the Administrative Trust still acts as the owner of the business, and may even finance and fund the other trusts, but the Assurance Trust acts as sole provider of bond assurance, through contract suretyship, to protect not only product, equipment, and transport liabilities, but also the performance on contracts entered into by and between the trusts. This greater division isolates all potential risks, separates duties and responsibilities, and maintains the flexibility necessary for even further division of labor, reassignment, and growth. Here private trade between trusts is almost untraceable to the naked eye (microeconomics at work), and the debts/credits are in beautiful circulation. Obviously, with more trusts to assume certain functions, for example, an additional Real Estate Trust to hold a property in another locale perhaps, or an additional Assurance Trust to cover some of the other potential risks, growth potential is literally exponential. Plus, this system is essentially a debt-based system, based upon expenses, with income restricted to only the Administrative Trust, so taxes have still been altogether avoided within the network.



1) **Administrative Trust** acts as owner of the business and obtains any & all services, utilities, and licenses in its trust name and makes all income and profits. It is managed by Management Trust and it leases the buildings from Real Estate 1 & 2 Trusts and leases all necessary equipment from the Holding Trusts. It operates the business mainly out of the Real Estate 1 Trust building as its HQ. It conducts business out of the Real Estate 2 Trust building located in a different locale (same business @ separate location). It then distributes funds (in the form of expenses) to Management Trust for its services, and pays its leases out of these funds as well. It pays a bond premium to Assurance Trust for assuring its business against all potential loss, in the same manner applied to construction projects- the surety bond is to prevent loss to the trust, as several ongoing projects. Because it still holds nothing, it remains to act as a throwaway trust for further judgment-proofing purposes, especially since it is likelier to incur a liability or encounter an adverse claim as a result of its greater exposure & size.

2) **Management Trust** provides management services to all the trusts. It acts as fiduciary in all financial matters and is the authorized representative on all accounts of the other trusts. It makes no income. It manages books and affairs of the other trusts in exchange for compensation due in funds from the Administrative Trust, Assurance Trust and Holding Trusts 2 & 3, but gives services to both Real Estate Trusts in exchange for use of each's building, and gives services to Holding 1 & 4 Trust in exchange for use of certain necessary equipment. Manages Assurance Trust and in exchange receives payment in funds from bond premiums of the trust.

3) **Real Estate 1 Trust** owns business assets (buildings, structures, equipment, automobiles, real estate, investments, etc.), but here we concentrate on singularity of purpose. It leases building to Administrative & Management Trusts based on its particular suitability for headquarters like functions, and makes no income. Warehouses assets in Holding 1 Trust per contract with Administrative & Management Trusts and not per any direct contract with Holding 1 Trust itself. Leases helipad on rooftop to the Holding 4 Trust in exchange for use of its helicopter in transporting trustee from locale to locale when necessary. Again neither the Administrative nor the Management Trust are liable for this asset, and the assets in the Holding 1 & 4 Trusts are not subject to third-party claims against Real Estate 1 Trust. Is assured against losses and claims by Assurance Trust, and pays bond premiums out of leases.

4) **Real Estate 2 Trust** owns business assets (buildings, structures, equipment, automobiles, real estate, investments, etc.), but here again we concentrate on singularity of purpose. It leases building to Administrative & Management Trusts and Holding 1, 2 & 3 Trusts based on its particular suitability for both business and production, and storage functions, and makes no income either. May also rent out building or lease it to outside parties. Again neither the Administrative nor the Management Trust are liable for this asset, and the assets in the Holding Trusts are not subject to third-party claims against Real Estate 2 Trust. Is assured against losses and claims by Assurance Trust, and pays bond premiums out of leases, the same as with its sister trust.

5) **Holding 1 Trust** owns certain office equipment necessary to carry on a certain aspect of business. Leases its assets to Management Trust and may rent storage in building of Real Estate 2 Trust if necessary, but does not ordinarily contract for storage due to preoccupation of assets in lease. Is assured against damage to or loss of assets by Assurance Trust and pays bond premiums out of leases as well. Though the trust owns these assets, you retain full and unlimited access to them forever, unless you convert them to personal use, in which case you would need to either rent or lease them from the trust and offset the expense with your trustee compensation.

6) **Holding 2 Trust** holds big-ticket assets of like character and obtains all licenses, insurance and maintenance accounts in its trust name. Obtains additional liability and loss assurance from Assurance Trust, and pays bond premiums out of leases. Leases assets to the Administrative Trust and uses these funds to pay all maintenance and other associated fees. Stores assets on building property and pays storage fees to the Real Estate 2 Trust. This is ideal for fleets of trucks or ships, but can be used for any assets. Again you have full power to use these assets or rent them, even though they are owned by the trust. It uses the funds it receives from leases to pay its rents and storage fees as well.

7) **Holding 3 Trust** owns, tracks and purchases inventory. Obtains funding for this from Administrative Trust in the form of advances, and sells inventory on "as-needed" basis to Administrative Trust at mark up to cover tracking expenses owed to Management Trust and storage expenses to Real Estate 2 Trust. Stores the inventory in the building of the Real Estate 2 Trust and pays its storage fees. Is managed by the Management Trust. Inventory is assured against loss from damage (fire, flood, etc.) by Assurance Trust, and bond premiums are paid out of markup on sales to Administrative Trust.

8) **Holding 4 Trust** holds one big-ticket asset and obtains all licenses, insurance and maintenance accounts in its trust name. Obtains additional liability and loss assurance from Assurance Trust, and pays bond premiums out of leases. Leases asset to the Administrative Trust and uses these funds to pay all maintenance and other associated fees. Stores asset on helipad of building property and pays storage fees to the Real Estate 1 Trust. This is obviously designed for a private helicopter, but can be used for any asset. It may lease or rent the "chopper" to the administrative trust for whatever necessary purpose. But, again you have full power to use these assets or rent them personally, even though they are owned by the trust. It uses the funds it receives from leases to pay its rents, storage, maintenance and pilot fees as well.

9) **Assurance Trust** holds no assets except the funds it receives in the form of bond premiums from each trust. Acts as surety for all potential loss in contract- and other surety bonds with each trust. Not required to be licensed. Acts as surety for Administrative Trust's business contracts with the other trusts. Does same for Management Trust's contracts with the other trusts. Assures both Real Estate Trusts' buildings against loss from damage (fire, flood, etc.). Stands surety for Holding 1 Trust against loss from damage to assets in same manner. Stands surety for Holding 2 & 4 Trusts against all potential loss or damage to cargo in transit, and indemnifies it against third-party claims (assures Holding 4 Trust against claims by trustee or passengers as well). Stands surety for Holding 3 Trust for all product liability, damage (flood, fire, etc.) and indemnifies it against all claims from Administrative Trust. May also assure trustee personally in the form of contract surety bond on performance of trustee contract. May exchange services with other trusts in lieu of payment of bond premium.