

LIST OF CHAPTERS

PREFACE	PRF-1
Chapter 1 OVERVIEW OF THE REVOCABLE LIVING TRUST	1
Chapter 2 REAL PROPERTY	7
Chapter 3 STOCKS	59
Chapter 4 SAFE DEPOSIT BOXES	63
Chapter 5 LIFE INSURANCE	65
Chapter 6 RETIREMENT BENEFITS	69
Chapter 7 PERSONAL EFFECTS	77
Chapter 8 SUBCHAPTER S STOCK	81
Chapter 9 I.R.C. § 1244 STOCK	83
Chapter 10 INSTALLMENT OBLIGATIONS	85
Chapter 11 LIVESTOCK AND FARM EQUIPMENT	91
Chapter 12 STOCK OPTIONS	97
Chapter 13 OIL AND GAS INTERESTS	99
Chapter 14 SERIES E AND H BONDS	109
Chapter 15 AUTOMOBILES	123
Chapter 16 BUSINESS INTERESTS	127
Chapter 17 PATENTS, TRADEMARKS, AND COPYRIGHTS	131
Chapter 18 SPECIAL POWER OF ATTORNEY FOR FUNDING	137

Funding the Revocable Living Trust

Chapter 19	POD AND TOD ACCOUNTS	141
Chapter 20	POSTMORTEM ASSIGNMENTS	145
Chapter 21	THE NOMINEE PARTNERSHIP	149
Chapter 22	BANK ACCOUNTS	175
Chapter 23	INCOME TAX MATTERS	193
Chapter 24	MARITAL PROPERTY CONSIDERATIONS	207
Chapter 25	DUTIES OF THE TRUSTEE	221
Chapter 26	FIREARMS	231
	SUBJECT INDEX	235

TABLE OF CONTENTS

PREFACE	PRF-1
----------------------	-------

Chapter 1	OVERVIEW OF THE REVOCABLE LIVING TRUST	1
§ 1.1	GENERAL COMMENTS	1
§ 1.2	ADVANTAGES OF THE REVOCABLE TRUST	3
§ 1.2.1—	Management Uninterrupted By Incapacity	3
§ 1.2.2—	Management For The Busy Executive Or Professional	3
§ 1.2.3—	Segregation Of Assets	3
§ 1.2.4—	Training The Trustee	4
§ 1.2.5—	Privacy Of Disposition Of Assets At Death	4
§ 1.2.6—	Reduction Of Probate Expense	4
§ 1.2.7—	Avoidance Of Will Contest	4
§ 1.2.8—	Uninterrupted Management At Death	5
§ 1.2.9—	Avoidance Of Probate In Other States	5
§ 1.2.10—	Tax Treatment Of The Revocable Trust	5
§ 1.2.11—	Summary	5

Chapter 2	REAL PROPERTY	7
§ 2.1	QUITCLAIM DEED	8
§ 2.2	WARRANTY DEED	9
§ 2.3	SPECIAL WARRANTY DEED	9
§ 2.4	BARGAIN AND SALE DEED	10
§ 2.5	TITLE INSURANCE ISSUES	10
§ 2.6	THE GRANTEE: TRUST DISCLOSED — TRUSTEE UNDISCLOSED	11

Funding the Revocable Living Trust

§ 2.7	THE GRANTEE: TRUSTEE DISCLOSED — TRUST UNDISCLOSED	11
§ 2.8	TRUSTEES IN JOINT TENANCY — TRUST UNDISCLOSED	12
§ 2.9	NONRESIDENT BANK TRUSTEE	12
§ 2.10	UNRECORDED DEEDS	13
	§ 2.10.1—Effectiveness Of The Conveyance	13
	§ 2.10.2—Gift And Estate Tax Issues	14
§ 2.11	MORTGAGE PRECAUTIONS	14
	§ 2.11.1—Lending Institution Requirements	14
	§ 2.11.2—Due-On-Sale Clauses	14
§ 2.12	CREDITORS OF THE TRUSTEE	15
§ 2.13	TAXABLE GAIN FROM SALE OF PERSONAL RESIDENCE	16
§ 2.14	THE STATEMENT OF AUTHORITY	16
§ 2.15	SENIOR’S PROPERTY TAX EXEMPTION	16
§ 2.16	BENEFICIARY DEED	17
	§ 2.16.1—Beneficiary Deed Background	17
	§ 2.16.2—Subcommittee’s Approach	18
	§ 2.16.3—Creditor Issues	19
	§ 2.16.4—Tax Consequences	19
EXHIBITS		
	Exhibit 2A—Quitclaim Deed	23
	Exhibit 2B—Warranty Deed	25
	Exhibit 2C—Colorado Real Estate Title Standard 3.2	27

EXHIBIT

Exhibit 5A—Sample Department Of Veterans Affairs
Designation Of Beneficiary Form 67

Chapter 6 RETIREMENT BENEFITS 69

§ 6.1 SURVIVING SPOUSE ALTERNATIVES 70

 § 6.1.1—Income And Estate Tax Conflicts 70

 § 6.1.2—Spousal Disclaimer To Trust 70

§ 6.2 TRUST AS DESIGNATED BENEFICIARY 71

EXHIBITS

Exhibit 6A—Qualified Plan/IRA Beneficiary Designation 73

Exhibit 6B—Spousal Waiver 75

Chapter 7 PERSONAL EFFECTS 77

§ 7.1 SPOUSAL ISSUES 77

**§ 7.2 FORMAL INTENTION TO
TRANSFER PERSONALTY 78**

EXHIBIT

Exhibit 7A—Bill Of Sale 79

Chapter 8 SUBCHAPTER S STOCK 81

§ 8.1 GRANTOR TRUSTS 81

§ 8.2 QUALIFICATION AS A QSST 81

§ 8.3 QUALIFICATION AS AN ESBT 82

Table of Contents

Chapter 9	I.R.C. § 1244 STOCK	83
	§ 9.1 OVERVIEW	83
<hr/>		
Chapter 10	INSTALLMENT OBLIGATIONS	85
	§ 10.1 OVERVIEW	85
	EXHIBITS	
	Exhibit 10A—Assignment Of Promissory Note	87
	Exhibit 10B—Assignment Of Note And Deed Of Trust	89
<hr/>		
Chapter 11	LIVESTOCK AND FARM EQUIPMENT	91
	§ 11.1 OVERVIEW	91
	EXHIBIT	
	Exhibit 11A—Livestock Brand Transfer And Instructions	93
<hr/>		
Chapter 12	STOCK OPTIONS	97
	§ 12.1 EXERCISE-OF-OPTION ISSUES	97
<hr/>		
Chapter 13	OIL AND GAS INTERESTS	99
	§ 13.1 OVERVIEW	99
	§ 13.2 FORM OF CONVEYANCE	99
	EXHIBITS	
	Exhibit 13A—Sample Mineral Deed	101
	Exhibit 13B—Sample Royalty Assignment	103

Funding the Revocable Living Trust

Exhibit 13C—Sample Assignment Of Overriding
Royalty Interest 105
Exhibit 13D—Sample Gas Division Order 107

Chapter 14 SERIES E AND H BONDS 109

§ 14.1 OVERVIEW 109

EXHIBITS

Exhibit 14A—Request To Reissue United States
Savings Bonds To A Personal Trust 111
Exhibit 14B—Treasury Direct Transaction Request 117

Chapter 15 AUTOMOBILES 123

§ 15.1 TITLING 123

§ 15.2 INSURANCE ISSUES 123

§ 15.3 INCAPACITY 124

EXHIBIT

Exhibit 15A—Colorado Power Of Attorney For
Motor Vehicle Only 125

Chapter 16 BUSINESS INTERESTS 127

§ 16.1 PROFESSIONAL CORPORATION STOCK 127

§ 16.2 PARTNERSHIPS 128

§ 16.3 SOLE PROPRIETORSHIP 129

§ 16.4 LIMITED LIABILITY COMPANY 129

Table of Contents

Chapter 17	PATENTS, TRADEMARKS, AND COPYRIGHTS	131
-------------------	--	-----

§ 17.1	OVERVIEW	131
--------	----------	-----

EXHIBITS

Exhibit 17A—Assignment Of Patent	133
Exhibit 17B—Assignments: Change Of Owner & Change Of Owner Name	135

Chapter 18	SPECIAL POWER OF ATTORNEY FOR FUNDING	137
-------------------	--	-----

§ 18.1	OVERVIEW	137
--------	----------	-----

EXHIBIT

Exhibit 18A—Durable Special Power Of Attorney	139
---	-----

Chapter 19	POD AND TOD ACCOUNTS	141
-------------------	-----------------------------	-----

§ 19.1	POD ACCOUNTS	141
§ 19.2	TOD ACCOUNTS	141

EXHIBIT

Exhibit 19A—Sample Stock Certificate	143
--------------------------------------	-----

Chapter 20	POSTMORTEM ASSIGNMENTS	145
-------------------	-------------------------------	-----

§ 20.1	OVERVIEW	145
--------	----------	-----

EXHIBIT

Exhibit 20A—Assignment To Beneficiary	147
---------------------------------------	-----

Chapter 21	THE NOMINEE PARTNERSHIP	149
§ 21.1	DEVELOPMENT OF NOMINEE PARTNERSHIPS	149
§ 21.2	THE PARTNERSHIP AGREEMENT	150
§ 21.3	DOCUMENTING OWNERSHIP OF ASSETS	151
§ 21.4	TAX REPORTING	151
§ 21.5	POST-DEATH CONSIDERATIONS	151
§ 21.5.1	—Single Continuing Trust: Single Nominee	151
§ 21.5.2	—Single Trust Divides At Death: Single Nominee	151
§ 21.5.3	—Two Trusts: Single Nominee	152
EXHIBITS		
Exhibit 21A	—Partnership Agreement Of Family Partnership	153
Exhibit 21B	—Management Agreement	157
Exhibit 21C	—Ownership Instructions To Nominee	161
Exhibit 21D	—Ownership Instructions To Nominee (Other Than Equal Interests)	163
Exhibit 21E	—Sample Of Nominee Income Tax Reporting	165
Exhibit 21F	—Amendment To Partnership Agreement	173
<hr/>		
Chapter 22	BANK ACCOUNTS	175
§ 22.1	CHECKING ACCOUNTS	175
§ 22.2	FDIC DEPOSIT INSURANCE	175
§ 22.3	DEMAND DEPOSIT MARKETPLACE FOR TRUSTS	176

Table of Contents

EXHIBITS

Exhibit 22A—FDIC Seminar On Revocable Trust
Accounts For Bankers (January 2012) 177
Exhibit 22B—Demand Deposit Marketplace Fact Sheet 191

Chapter 23 INCOME TAX MATTERS 193

§ 23.1 REPORTING INCOME AND TAX RETURNS 193

§ 23.1.1—Settlor As Owner 193
§ 23.1.2—Trust As Owner 194

§ 23.2 REPORTING AT GRANTOR’S DEATH 194

§ 23.3 TAXABLE YEAR 195

EXHIBITS

Exhibit 23A—T.D. 8633: Grantor Trust Reporting
Requirements 197
Exhibit 23B—Sample Instructions To Client For Reporting
Income 205

Chapter 24 MARITAL PROPERTY CONSIDERATIONS 207

**§ 24.1 DIVISION OF MARITAL
ASSETS AND DIVORCE 207**

§ 24.2 COMMUNITY PROPERTY CONSIDERATIONS 208

EXHIBITS

Exhibit 24A—Marital Property Agreement 209
Exhibit 24B—Community Property Agreement 211

Chapter 25	DUTIES OF THE TRUSTEE	221
-------------------	------------------------------------	-----

§ 25.1	WHOM TO DESIGNATE	221
§ 25.2	EDUCATION OF TRUSTEE	222

EXHIBITS

Exhibit 25A—What It Means To Be A Trustee	223
Exhibit 25B—Choosing A Trustee	227

Chapter 26	FIREARMS	231
-------------------	-----------------------	-----

§ 26.1	PRIOR LAW	231
§ 26.2	CURRENT LAW	231
§ 26.3	GUN TRUSTS	233

SUBJECT INDEX	235
----------------------------	-----
