DUNHAM TRUST COMPANY

ONE OF THE BEST TRUST COMPANIES IN AMERICA

RATED BY TRUSTADVISOR 2012-2016

2016 AMERICA'S MOST ADVISOR-FRIENDLY TRUST COMPANIES

THE WINNERS LIST:
LISTINGS FOR THEIR TECHNOLOGY USED, CUSTODIANS, FEES, IN-HOUSE EXPERTS, TRUST SUPPORT AND MORE.

TRUSTADVISOR
AMERICA'S LEADING WEALTH MANAGEMENT E-NEWSLETTER



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America's Most Advisor-Friendly Trust Companies is updated and published quarterly. Trust companies interested in being included in future editions should email: thetrustadvisor@gmail.com.

INTRODUCTION:
TRUST, TRUSTWORTHY AND "FRIENDLY"

After the year we've all just lived through, I hope all advisors who don't support trust services are working fast to rectify that situation. Investors are almost universally frustrated with raw investment performance as the basis for their advisory relationship. As we've seen, an automated computer program can match the market for a fraction of the cost—and matching the market may not always be terribly impressive in itself.

Trust services create the kind of deeper, value-added relationship that provides the long-term structure that keeps clients from drifting away. Assets held in trust can remain in place in perpetuity, accumulating wealth across multiple generations of clients and keeping the fees flowing for decades. It's no wonder banks and other institutions keep chasing these assets and never let them go when they get them.

While this area of the industry is rapidly becoming essential to high-net-worth investors, only a minority of advisors has built the necessary network of relationships to help clients transfer their wealth into trusts. It takes a little time and effort to find the right partner. Moreover, with so many trust service organizations fighting for a place at the table, the cost of settling on the wrong partner is far too high.

Most trust service organizations are affiliated with banks or asset management firms that want to take over the way the money is invested. Many funnel the cash into proprietary products. Others simply exploit their access to your best clients in order to prospect a greater share of the overall assets away from legacy advisors and into their own books of business.

These trust service organizations may do a great job administering trusts, but from an advisor's point of view they're far from trustworthy. Anyone who refers clients to these de facto competitors is effectively giving a rival open license to take over the accounts. Instead of making those assets stickier, you're inviting them to migrate to a rival.

The good news, of course, is that dozens of trust companies have developed a business model nimble and efficient enough to cooperate with advisors. They're happy to stick to their end of the trust relationship and earn their fee from administration, fiduciary services and other specialized functions, leaving the way the trust assets are managed to the advisors who introduce the accounts. Many have no in-house wealth management operations and couldn't interfere with that side of the relationship if they tried.

These companies have staked their future growth on their ability to work with advisors instead of against you. They like advisors. They know the culture and the strategic considerations you deal with every day. We call them "advisor friendly" because that's what they are.

DUNHAM TRUST
Ann Rosevear
President

Where Dunham won an opportunity from an existing trustee, the main mistakes made by the competitor were lack of personal service, rigidity in thinking and failure to respond.

We focused on expanding our team in the right way by adding skilled, responsive trust officers and operations personnel who are dedicated to our mission of proactive service.

We also further streamlined our trust review processes and enhanced our operations to better assure our valued financial advisor network that we can and are willing to timely transition opportunities into clients without the "red tape."

Every year, we profile the companies that have demonstrated that they want to work with you. Some are massive, dominating their jurisdiction, while others work on a boutique scale. Many are specialists in various forms of trust or hard-to-place assets. Most provide various forms of support to help their partners market themselves as trust experts to clients who want this level of service and will get it from someone, one way or another.

You'll hear their stories in the following pages, but as always, if you'd like help narrowing the list, the Trust Concierge is standing by at findatrustee.com.

A NECESSARY RELATIONSHIP

Competition for high-net-worth accounts has never been fiercer. Every advisor in the US is on the hunt for wealthy clients looking to provide the best mousetrap and service offering for their clients. In the process it goes without saying that high wealth accounts mean trust services.

Today's wealthy families are not willing to settle for someone who will simply manage their portfolios or give them a template for a financial plan. They've learned to use the Internet and they know there are all-in-one firms that can give them tax advice, insurance, estate planning, philanthropy, wealth transfers to future generations and more.

Your clients want a holistic approach with specialized expertise. They demand a financial advisor who will not only act as a go-between to the markets but as a guardian of every aspect of their financial lives.

And as it happens, one of the top items on their wish list is the ability to create and use trusts. While an individual can run a trust, the complexity and fiduciary burden make it difficult—even unwise—for an advisor to do so. At this point, the SEC has ruled that any advisor who wants to serve as trustee or trust administrator will face expensive and onerous audits. As a result, a third party needs to be identified to serve as trustee.

Given the complexity of the task, this will often be a specialized corporate entity, a trust company or bank trust department. Once again, as far as the trust and its creators are concerned, this can be a terrific solution. The corporate trustee has the resources and the expertise to manage the paperwork, meet the filing deadlines and bear the fiduciary burden—but in the past, the advisor almost always got squeezed out of the relationship.

To be considered advisor-friendly, a trust company needs to be able to pledge that it will cooperate with you, not compete against you. Unlike captive trust departments that exist to give their corporate parents—usually wealth managers or banks—access to your clients, these companies have unbundled their wealth management offering and can simply sell trust administration as a separate service.

The difference is vast. Conflicts of interest are eliminated. Very few of these companies could take over active management of your clients' trust assets if they wanted to, so you're able to stay right where you are: carrying the ball and earning the glory.

Today's trust industry is still full of companies that compete directly with advisors for control of the assets, but thankfully their dominance is nowhere near as complete as it was. Progressive trust companies recognize that investment advisors are the best people to handle the investments and that the running the trust is enough of a challenge in its own right.

Much like independent advisors, these companies are not beholden to outside corporate interests. They rarely if ever have proprietary investment products to sell or commissions to capture. Very few will insist on taking custody of the trust assets, although many will do so if the trust creator or his or her advisor wants.

A trust company that wants to make the Trust Advisor rankings needs to go the extra mile to not only stay out of your business but also help you build that business. It's no longer enough to passively do no harm. They have to actively support your efforts to differentiate yourself as the advisor high-net-worth families consult when they want to open a trust, integrate it into their long-term financial plan or simply squeeze better investment performance out of an existing trust fund.

Time after time, we see that marketing support makes the difference between success and failure when advisors add trust services to their service platform. The closer your administration partner can take you to offering your clients a "plug and play" solution, the faster you will see concrete results in term of client retention and your own marketing efforts.

Sure, you can always educate yourself and prepare your own client materials, but that's a significant investment of in-house resources that may not pay off for months or even years. So go ahead and lean on your trust company partner – assuming, of course, that they're up to the challenge.

YOU'RE THE CENTER OF INFLUENCE

With the right partner, your core role in introducing trust to your clients is as a center of influence. You don't have to be the expert on a technical level. The trust company will handle all the detail anyway. All you need to do is start the conversation: "are you familiar with what a trust can do for you?"

Keep it simple. Get copies of potential trust partners' marketing materials when you start talking about a relationship and lean on those materials to feed the discussion. They should have PowerPoint or the ability to construct a presentation for you.

Don't forget to remind your client that most other advisors are skittish about suggesting a trust even when it's obviously in an investor's best long-term interest, simply because it represents a sacrifice in terms of assets under management and possibly lost revenue. Barely 10% of advisors work with trusts. It should impress any client to know that you're in that top decile right away, provided of course that you let them know.

Remember, the more trusts you direct toward a trust company, the more fee income they generate. A truly serious partner will feed every affiliate with plenty of training materials, consultation and even branding support to help you establish yourself in the trust field.

And in most cases, this material will keep you at the center. The trust company functions behind the scenes, so far back in the back office that they might actually be working several states away. Reports and communications can route through you and carry your logo and letterhead. Your clients may not even know the trust officer doesn't work for you.

Either way, top-tier trust companies are seeing advisors step up their cooperative efforts with other professionals who have a voice in wealthy families' finances. Attorneys and accountants play critical roles in the trust creation process and need to bring in advisors to manage the investments. You can play quarterback on the accounts you bring to the game, but having a team on your side goes a long way toward mutual success.

SPLITTING THE TRUST DUTIES: DIRECTED TRUST

Thanks to innovations in the trust code in many states, truly advisor-friendly companies are happy to let the advisor keep investing the assets and collecting the management fees. From the advisor's perspective, only the client's satisfaction level changes.

The breakthrough came in the 1990s, when some states altered the rules to allow the creators of a trust to direct the trust company to follow the investment choices of an outside advisor. Trusts set up under these terms are generally classified as "directed" trusts.

Similar arrangements leave control over the investments with the trustee but allow that function to be delegated to an outside advisor. Naturally, these are considered "delegated" trusts.

Either way, as far as the portfolio is concerned, the advisor (you) is boss. The advisor earns the management fees. The trust company earns its own fee for handling everything else: accounting, custody (if required), reporting and payments to the beneficiaries.

If the IRS needs to inspect the books, the trust company handles it. If one of the people named in the trust documents has a special request, the trust company handles it.

Since both trustee and investment advisor are thus free to do what they do best, this aligns the interest of all service providers with the grantors and beneficiaries themselves.

HOW A TRUST COMPANY EARNS ITS FEES

The trustee is the person or corporate entity that manages the trust's affairs in order to ensure that it achieves the goals set by its creators. Trust administration issues, deadlines and procedures can strangle otherwise financially sophisticated people in red tape.

This is a fiduciary role, and as such the penalties for failure are clear-cut and severe. Your clients already know what you do to manage their money, but the trustee relationship is likely to be new and somewhat outside their experience.

Because you will want to remain the primary point of contact between clients and the trust company, you must have a basic understanding of the primary duties of the corporate trustee and any trust officers assigned to your clients' accounts.

Non-discretionary tasks are not optional. These include making income payments monthly, quarterly, annually or as otherwise directed by the trust. Trustees must also pay out principal as set forth in the trust and attend to all other matters the trust directs. Tax and other filing deadlines must be met in full. Any additional duties or instructions explicitly called for in the trust documents must be carried out.

Discretionary tasks give the trustee more room for personal interpretation. If the trust is silent on an issue, the trustee's fiduciary duty may require him or her to make discretionary decisions. For example, a trust may indicate that the trustee can make principal payments "after considering other sources of income available to the beneficiary," in which case the trustee should demand extensive documentation from the beneficiary before making a decision.

Many trust officers also perform miscellaneous activities on behalf of the beneficiaries as part of their overall ethic of service, even if these tasks are not explicitly mandated in the trust itself.

PICKING A TRUST COMPANY PARTNER

The Trust Advisor's audience includes some of the highest-powered professionals in the industry.

Not surprisingly, most of you want to open up your business to support trusts for very simple reasons: a wider offering makes it easier to court new clients, encourage existing relationships to trust you with more of their assets and generate more revenue on every dollar of AUM on your platform.

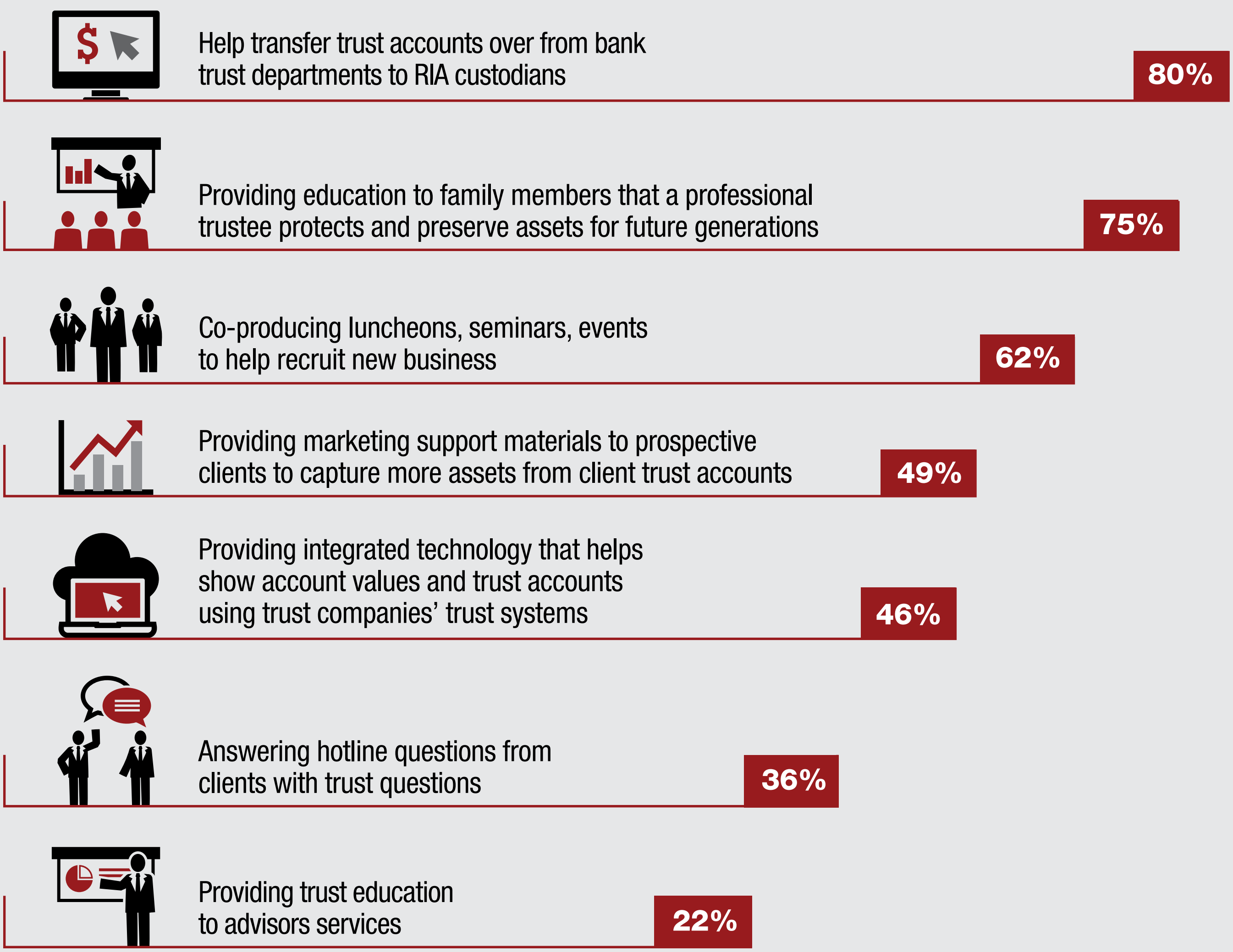
A full 82% of our readers say finding a trust company they can recommend to their best clients has translated into new relationships, enhanced account retention or both. That's it. It's a pure business decision and the numbers speak for themselves.

In terms of picking a trust services provider that can help you achieve those goals, you are all about testimonials. A reader survey we ran a few years ago revealed that 80% of you say reputation and length of time in business are the most important factors in picking a partner. Only 22% are looking for the lowest-price solution.

What does this mean? Advisors look for testimonials and case studies to prove that a potential partner can back up its claims. That kind of information is hard to get from a website, so you'll probably need to pick up the phone even if our Trust Advisor Concierge does most of the legwork for you in advance.

Once you make the calls, you'll have a much better idea of a trust company's standing in the industry and whether it would be a good fit for your clients. If that side of the company passes muster, you've determined that even a tiny boutique vendor may be worth a few basis points more.

HOW TRUST COMPANIES HELP ADVISORS LAND NEW ACCOUNTS



A PARTNER IN YOUR SUCCESS: MARKETING SUPPORT

Trust companies know the benefits of trusts better than anyone. They've seen the results over and over as part of their everyday operations: lower tax drag, protection from outside scrutiny and nuisance lawsuits, multiple generations of wealthy families kept together through a unified ethos and set of financial instruments.

Having a trust company you can trust on your side does more than simply defend your book of business when your current generation of clients dies and hands over the assets, presumably to a trustee or rival advisor the heirs pick.

This is actually a way you can go on the offensive and prospect accounts from competitors. The chart below, lays out the primary ways trust companies help advisors not only retain existing business, but even grow.

Either way, if you want to communicate the value your trust partnership adds to your clients and prospects, odds are good that the trust company already knows exactly what you should say. You shouldn't have to educate yourself in the intimate workings of the trust code just to sell yourself as an advisor who works with these vehicles.

All you should need to do is let your partner provide the marketing materials you need. Any trust company that's winning new accounts probably has a library of white papers, newsletter articles and other informational content that it distributes to its own prospective clients. Volunteer to pass it on to your clients and prospects as well.

Tapping your trust partner's expertise in marketing trust-oriented financial planning techniques doesn't diminish your own central role in your clients' eyes. At worst, all you're doing is demonstrating without a shadow of a doubt that you're a professional who knows who to contact for support on specialized topics. More likely, your clients will simply start thinking of you as the person who knows about trusts.

Either way, a real advisor-friendly trust company won't make you reinvent the marketing wheel. They've already done the heavy lifting to support their own business, and besides, if you end up convincing any of your clients to create a trust, they're the ones who benefit. Your success is their success. A real partner should do whatever it takes to make that happen – and they should be proactive enough to volunteer their help before you ask.

When interviewing a potential partner, find out about the marketing support. It's not necessarily a deal breaker, but the more the trust company can help you establish your role as a trust advisor, the faster this relationship will pay off for you both.

NOT EVERY STATE IS CREATED EQUAL

You may have noticed repeated references to "some" states, "good" jurisdictions and so on. Location is everything in the trust business.

Not all U.S. states support all of the major types of trust that your clients may need, and in fact some experts consider only a handful of trust havens—

Alaska, Delaware, Nevada, New Hampshire and South Dakota—to be really top-tier places to create and run a trust.

You need to find a trust company partner that can work with your clients wherever they live. However, anyone from any state can set up a trust in any jurisdiction, so no advisor should feel constrained by what's available at home. Recent trends have led wealthy families and individuals to seek out the most favorable environments for their assets, changing residences as tax laws shift. Because of this, many large family offices are opting for maximum flexibility when the time comes to decide where to set up the new trust.

In addition, family needs change from generation to generation. Even if the prospective trust grantor doesn't need a particular tax benefit or class of protection at the moment, these advisors know that circumstances change. And since multiple generations may be part of the equation, the trust must be able to evolve with the family's needs. Because of this, many advisors look for a combination of factors when searching for a trust company:

- **Perpetuities.** Conventional trusts can expire a few decades or maybe a century after the original grantor dies, but many states allow property to remain in trust for many generations longer than the standard state and in some cases forever. These perpetual trusts or dynasty trusts are a very popular technique for planners and clients today.

- **Favorable tax rules.** Avoiding state income or capital gains tax is another key objective for planners to achieve for their clients. Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming do not impose an income tax on trusts. Delaware does not impose an income tax on trusts if the income or capital gains are accumulated or distributed to non-resident beneficiaries.

- **Asset protection.** Some states offer varying degrees of protection for locally domiciled trusts from the trust creator's creditors. While the language can be so vague as to be useless in court, jurisdictions like Nevada and South Dakota have a rich body of statutes in place designed to shield property from legal claims.

- **Total return trusts.** Many states have enacted total return trust or power-to-adjust statutes. Trustees in these states can now invest based on a total return approach and satisfy beneficiaries who receive either a share of current income or the principal at a later date. Most states with total return trust legislation have the ability to convert a trust to a unitrust percentage between 3% and 5%.

- **Delegation.** Needless to say, you want a trust provider that operates in a state that allows an outside advisor to manage the portfolio. But this is not quite as intuitive as it initially seems. Review state statutes permitting segregation of duties to make sure that the trustee will provide exactly the level of supervision you find comfortable -neither more nor less.

- **Privacy.** Most states have methods for insuring that fiduciary matters will not be a matter of public record, although some are stronger than others. However, state laws differ on beneficiaries' entitlement to trust information and only a few states allow a trust instrument to delay or prohibit disclosure of trust information to future beneficiaries.

A GOOD PARTNER IS MORE THAN A UTILITY

Plenty of would-be advisor-friendly firms operate on a commodity basis, relying on technology and standardization to ensure good service for more-or-less generic trusts. These trust companies generally offer low all-in pricing but can become inflexible as trusts get more complex or require special outside-the-box handling.

In the meantime, your best clients demand service and flexibility. The trust company you recommend to them reflects on you and the overall experience you provide.

Look for a corporate trust company that can provide evidence of:

- Years of experience in administering trusts
- Specialization in trust administration, custody, and fiduciary tax reporting services
- Knowledge of changes in the directed trust space and the trust environment
- Dedication to fiduciary responsibility
- Insurance coverage against fiduciary errors and omissions
- Staff continuity
- Examination by internal auditors and external regulators
- Focus on the best interest of all beneficiaries, both current and future, while implementing trust provisions
- An aversion to "interpreting" or adding to the trust documents in order to divine the wishes of the creator
- State-of-the-art technology
- A reporting and accounting platform that supports both your custody platform and all assets that will go into the trust
- Established partnership relationships with multiple team members

Once you have your search narrowed to one or two states, start interviewing trust companies with the above criteria in mind. Remember, you want a partner that keeps its in-house investment unit—if any—away from your clients. They should not be trying to sell your clients proprietary investment products, but they should have the capability to support any investments that you might recommend, now or in the future. If they're not "friendly," it doesn't really matter how nimble their operation is or how in-depth the services they offer.

HOW TO SHOP: WORDS TO WATCH

As you put together a short list of trust companies that may be a good fit for your clients, remember that diversification is key. Just as every one of your clients is different and has unique needs, many of the best providers are generalists who excel in a niche or two or are outright specialists.

Learn to recognize the jargon that differentiates one trust company from another so you can build a balanced team of potential partners. Some are geared toward self-directed IRAs and other pure hands-off custody and administration: Others shine when it comes to classic directed trust where trust officers and advisors work more closely together.

Some of your clients will want to create trusts that favor one group or the other. If possible, cultivate relationships with at least a few from either side of the bench to give your clients the best pool of options to work with.

- Ideally, a dedicated trust officer assigned to each account
- Examinations of how payments and beneficiary/client communications are handled.

Advisors seeking a trust company for a directed trust that does not contain discretionary provisions can focus on the easy questions:

- Is a dedicated trust officer responsible for each account?
- How are income or principal requests handled? What are the turnaround times and payment methods?
- How are communications with the beneficiary handled?
- How quickly can the trust company respond to document review, interpretation and explanation requests from a client or financial advisor?

When trustee discretion is an issue, the process of finding the right fit can become more difficult and chemistry becomes more important.

ADD UP THE COSTS

Naturally, corporate trustees need to charge for their service. While regulators are pushing for greater transparency here, this fee is often all-inclusive or bundled in such a way that beneficiaries and their advisors have a hard time determining where their money goes.

Traditional all-in-one trust companies further obscured the cash flows by charging a fee that compensates them for their investment management services, fiduciary risk and other "soft non-value-added services" provided to clients.

Directed trusts, on the other hand, generally separate the investment advisory fee from the corporate trustee fee. As a result, clients receive much clearer insight into what they are paying -and often a lower total fee as well.

In general, fee schedules for directed trust companies fall in a range from 0.50% to 0.75% on the first $1 million and then drop according to varying breakpoints thereafter. Minimum annual fees range from $4,000 regardless of asset level, although some types of trust start in the $1,500 range. A few vendors will charge a flat fee for any amount of assets.

Additional fees may apply for real estate held in trust, estate settlement and termination fees, tax preparation and/or filing, or miscellaneous extraordinary services.

Note: The IRS has ruled that all corporate trustees are required to separately account for investment and administration fees. This is intended to remove the tax advantage of a "unitary" trust in which the entire trustee fee can be deducted, as opposed to a trust that charges separate fees and only allows partial deductibility of fees. Directed trusts already break out the fees in this way, but because this is a relatively new development, it gives you a good "talking point" in your negotiations with trust companies.

TECHNOLOGY MATTERS

Once upon a time, dealing with paperwork was the primary objective of every trust organization in the business. Even today, some trust officers are still content to fill out and file all the necessary forms it takes to keep a trust running and compliant with all applicable regulations.

However, some firms have embraced technology that makes it possible for them to take their trusts out of the late 19th Century.

The right accounting platform can interface with the modern state-of-the-art portfolio management tools that directed and delegated advisors use today while incorporating your best tax optimization and rebalancing strategies. The investment architecture can now be truly open, working with any third-party or in-house alternative assets your platform supports.

Integrated multi-custodian data feeds allow the administrators of large trusts to track thousands of open investment positions, report market values and attribute performance with a minimum of delay and errors. This functionality, in turn, is what makes the very existence of smaller trusts possible.

A modern trust administrator may be able to share data with your customer relationship management system and provide other integration benefits. If this kind of efficiency matters to you, it's important to ask a potential partner whether you can get it.

But the primary advantage technology is bringing to the trust business is the elimination of paper. Moving the forms into secure paperless environments has been essential for a new generation of trust officers who can now give beneficiaries, grantors and investment advisors alike access to all necessary documents.

Forms can be sent out for fast electronic signature and then stored electronically as well for instant access. The faster the signature fields are populated, the faster distributions and other complex processes can move.

Ask about technology when you have a conversation with a potential trust partner. You may not require them to have a full-fledged cutting-edge solution, but you may not want an old system of filing cards and ledgers either.

SPLIT RESPONSIBILITY, SHARED REWARDS

A true directed trust arrangement is created when the person who is initially transferring the assets decides to require or "direct" the trustee to delegate the investment responsibilities to a registered investment advisor, stockbroker, financial planner or other family advisor.

In these cases, the trustee's fiduciary responsibility for the investments is formally reduced to the point where he or she is exonerated from all liability except in circumstances involving willful misconduct. Some states have slightly stricter requirements that force directed trustees to double-check that the advisor's decisions are truly suitable, while others take a more laissez-faire approach.

For most practical purposes, while the trustee retains some continuing liability for investment performance, in a directed trust arrangement, it is close to zero.

Directed trust statutes formally define the separate duties and responsibilities of trustee and advisor. Both are appointed as fiduciaries, even if the advisor is not normally engaged in a fiduciary role. This separation of duties is called "bifurcation" in industry marketing jargon.

When a wealthy individual decides to use a directed approach for his or her trust, he or she generally appoints an existing advisor or advisory firm in the controlling document.

Specifics vary by state. Nevada, for example, provides for additional roles within the arrangement. Trust creators can appoint a "trust protector" who has the discretion to modify the trust in various ways to take advantage of changing rules or to direct the trustee to make — or withhold— distributions. Not surprisingly, these three-party arrangements are referred to as "trifurcation."

Remember, some states also allow the trustee to delegate the investment function to an outside advisor regardless of the trust creator's stated wishes. In these relationships, the trust essentially serves as an institutional client in a normal advisory practice.

Such "client" partners can be extremely attractive from a strategic perspective, since they provide both current fee income and referrals to additional clients – a win for everyone, and the exact opposite of the historical trust/advisor dynamic!

GLOSSARY OF TERMS

Asset Protection Trust: Any trust designed to protect property from potential creditors, court judgement or other legal liability.

Beneficiary: Person or entity entitled to receive benefits from a will, insurance policy, trust agreement or employee benefit plan.

Charitable Remainder Trust: An irrevocable trust with both income and remainder interest. Income is paid to designated beneficiaries for a term or lifetime. The remainder interest is paid to qualified organizations as specified in the trust when the trust terminates.

Corporate Trustee: A trust institution serving as trustee.

Delegated Trust: A delegated trust is an arrangement that allows the trustee to assign responsibility for managing the trust's assets to an outside advisor. (See also: Directed Trust.)

Directed Trust: A directed trust is an arrangement that allows the advisor to hand off the responsibility and burden of administering a trust to an outside corporate trustee but retain control over how the assets are invested. (See also: Delegated Trust.)

Directed Trust Company: Any corporate trustee that supports and encourages directed trust relationships. These companies are generally not interested in managing the assets themselves and so have little or no motive to replace existing advisors.

Durable Power of Attorney: A power of attorney that will come into effect and remain in effect and valid if the person who grants the power becomes incapacitated.

Dynastic Trust: While some states force trusts to terminate after a few generations, others allow trusts to operate for centuries or even, theoretically, forever. These long-lasting arrangements are known as dynastic or "perpetual" trusts.

Estate: The real and personal property of a decedent; a specific interest in property.

Fiduciary: An individual or entity in position of trust who has accepted the duty of acting for the benefit of another.

Grantor/Settlor: A person who transfers property, the creator of a trust.

Generation Skipping Tax (GST): A tax levied on gifts to people separated by the donor by more than one generation: grandparent to grandchild, for example.

Irrevocable Life Insurance Trust: Typically used to shelter an insurance death benefit from estate taxes and may provide liquidity to pay estate taxes and settlement costs. A trust is created, then the trust purchases a life insurance policy.

Irrevocable Trust: A trust that, by its terms, cannot be revoked or changed by the grantor.

Living Trust: A trust that is operative during the lifetime of the grantor; as opposed to a trust under will or a testamentary trust. Also known as an inter vivos trust.

Power of Attorney: A legal document appointing someone to act as one's agent with legal authority to sign your name, on your behalf, in your absence. Power of Attorney ends at incapacity (unless it is a durable power of attorney) or death.

Remainderman: The person who is entitled to an estate after the prior estate has expired.

Revocable Trust: A trust that by its terms may be terminated by the settlor or by another person.

Successor Trustee: Person or institution named in the trust document who will take over should the first trustee die, resign or otherwise become unable to act.

Trust: An entity that holds assets for the benefit of certain other persons or entities.

Trustee: Person or institution who manages and distributes another's assets according to the instructions in the trust document.

Uniform Trust Code States: Many states have attempted to streamline and standardize their trust rules by adopting these provisions as their model.

Will: A written document with instructions for the distribution of an individual's assets after death.

DUNHAM TRUST COMPANY

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At **Dunham Trust Company**, we help our clients develop wealth accumulation, asset protection, estate planning and distribution strategies specifically designed to meet their immediate needs while also planning for the future.

To ensure that client-specific objectives are both addressed and met, we work closely with the trusted professionals in our clients' lives such as their financial advisors, attorneys and accountants. Because we take pride in building relationships that truly do last for generations, we take the time to establish personal relationships with each and every client.

Jeffrey Dunham, Chairman and CEO of Dunham Trust Company, says, "People come to us with a variety of needs, but all have the common desire to ensure that their retirement and estate planning goals will be handled in accordance with their wishes. These are extremely personal and meaningful matters to our clients, and to us. That's why we provide all of our clients with personal access to me and to each and every member of our team."

Protecting and safeguarding the wealth that one has already accumulated is critical to the services we provide. Dunham Trust Company's experienced team helps to ensure that the transfer of a clients' estates to their heirs is achieved in an orderly, cost-effective and thoughtful manner. We take personal responsibility for every trust account, giving it the same care we would our own.

New Business Contact:
Ann Rosevear, Esq. and Nicole M. Vance, Esq.
Phone: (888) 438-6426
E-mail: asktrust@dunham.com

States Chartered/Licensed in: Nevada, Colorado

Average Account Size: $1.5 million

Total Assets under Administration: $3.15 billion

Custodians supported: Works with all

Number of Relationships with Advisors: 100+

In-house Experts: Attorneys with estate and trust planning experience, CTFA as well as external Regional Directors and internal Regional Marketing Associates who provide Financial Advisors with business development and sales support.

Trust Accounting System: Infovisa

Supports Directed Trust: Yes

Supports Delegated Trust: Yes

Typical Timeframe for Acceptance of New Trust:
3 to 10 days

Marketing Support Includes: Brochures, conference calls upon request, face-to-face meetings with advisors, clients and prospects.

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AMERICA'S LEADING WEALTH MANAGEMENT E-NEWSLETTER

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