



### **Charitable Trust to Family Foundation:**

Father, 74, had two adult children and a 1.5M stock portfolio that was losing tremendous value as the market was in a free fall.

The portfolio was some 25 years old and despite the losses, there would still be a capital gain of \$820,000, if the stocks were sold out right.

Also, there would be \$205,000 in capital gains taxes due.

### **The Solution:**

The broker created a Charitable Remainder Trust and had the man transfer his stock into it.

The man was appointed as trustee of his own Charitable Trust. As trustee, he sold the stock but the trust was exempt from capital gains.

The proceeds of the sale were invested and gave the father a \$134,000 lifetime, GUARANTEED income.

Upon his death, the remaining balance of the trust will transfer over to a standby family foundation with his children appointed lifetime salaried Directors.