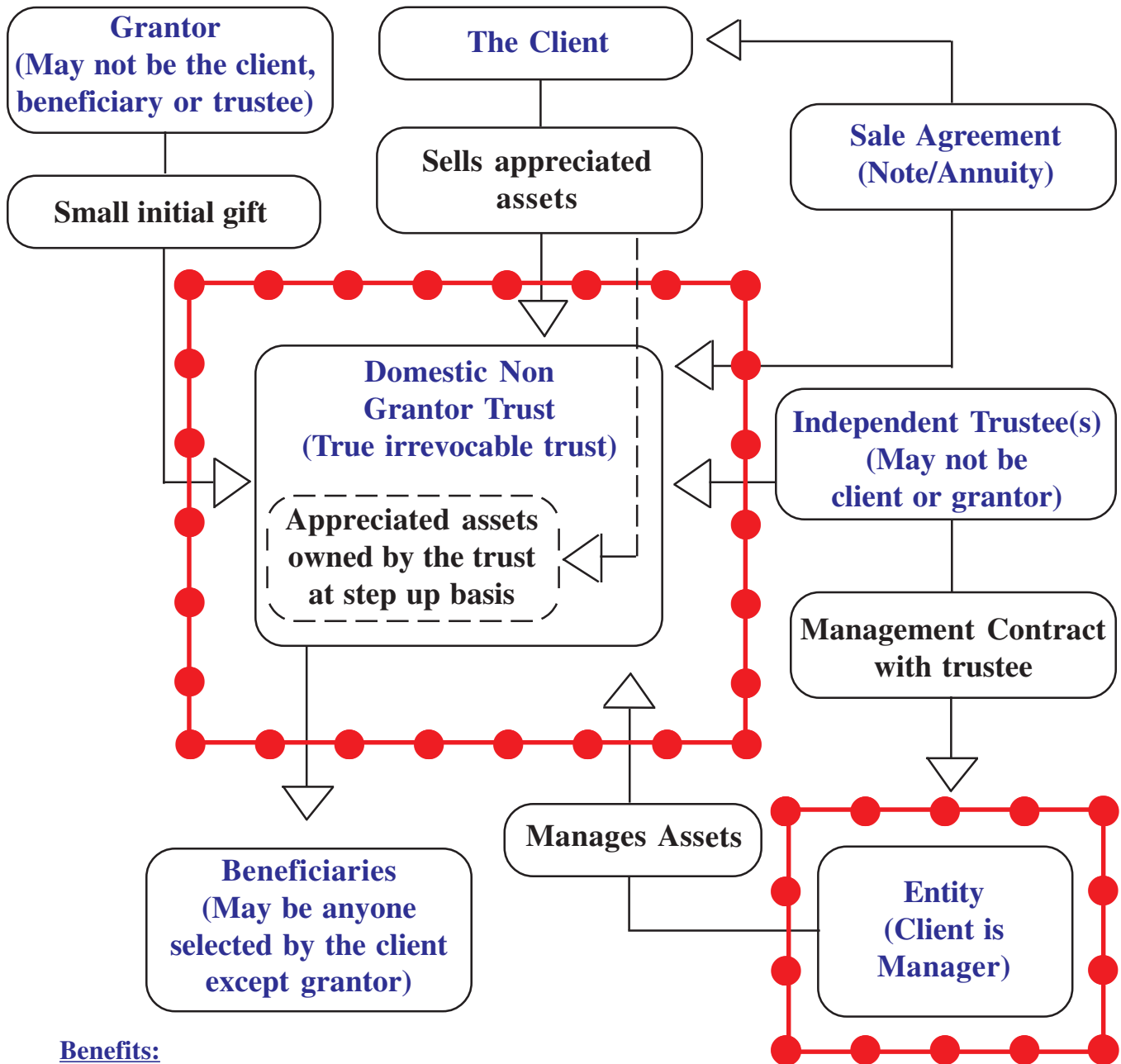


# DOMESTIC NON GRANTOR TRUST



**Benefits:**

- 1) A true irrevocable trust so the “profit” earned by the trust must be bled off each year
- 2) Sale Agreement gives DNGT step up basis for the asset
- 3) Transaction offers an opportunity to control recognition of capital gains taxes
- 4) Transaction eliminates estate taxes

**Disadvantages:**

- 1) Trust pays income tax rates at the highest level at a low threshold
- 2) Trustee may not be client or subservient to client

●—●—●—●—● = **Asset Protection Device**