



## ARIZONA CONFIDENTIAL TRUST PREPARATION AGREEMENT



Complete this agreement to hire Arizona Wills & Trusts & LLC attorney Richard Keyt of the KEYTLaw, L.L.C. law firm (the "Firm") to prepare a Confidential Trust and provide the six services listed in the third paragraph for \$397. The sole purpose of the Confidential Trust is to own a membership interest in one or more Arizona limited liability companies and have the Confidential Trust listed on the records of the Arizona Corporation Commission as the member or manager of a limited liability company or the stockholder of a corporation. The Confidential Trust is a trust created by the ultimate owner(s) of an LLC or of corporate stock. The ultimate owner(s) or a trusted family member or friend is the trustee. The ultimate owner(s) is the beneficiary. It is a revocable trust that is completely under the control of the ultimate owner(s). Because the trust is revocable, it is disregarded by the IRS – the IRS pretends like the trust does not exist so it does not file a federal income tax return.

Richard ("Rick") Keyt, a former partner in one of the largest law firms in Arizona, has practiced law and been forming entities in Arizona since 1980. After law school Rick obtained a masters degree (LL.M.) in federal income tax law from New York University School of Law. For information about the Firm, see [www.keytlaw.com](http://www.keytlaw.com), Rick's [biography](#) and Abby's [biography](#). For in depth articles about Arizona LLCs, see [Arizona LLC Law](#). If you have questions about LLCs or this Agreement or if you have any questions during the formation process, call Rick Keyt at 602-906-4953, ext. 1 or KEYTLaw attorney Abby Neal at 602-906-4953, ext. 5. We do not charge for questions about our Confidential Trust or about forming Arizona LLCs or corporations.

**Confidential Trust Preparation Services:** The Firm will perform the following legal services for a guaranteed amount of \$397:

1. **Unlimited phone calls** to Arizona LLC and estate planning attorneys Richard Keyt or Abby Neal to answer questions about preparing your Confidential Trust.
2. Prepare and send to you via email in Adobe pdf format a custom drafted **Confidential Trust Agreement** that complies with Arizona's trust laws.
3. Prepare and send to you via email in Adobe pdf format a **Certification of Trust**. This is a short, abbreviated document that can be used to give to third parties to prove the existence of your Confidential Trust. It is signed before a notary by a trustee of the Confidential Trust who states in the document the name of the trust, the date it was created, the name(s) of the trustee(s) and the powers held by the trustee(s) under the trust agreement. When a third party such as a bank asks for a copy of your trust you give the third party this document rather than your actual trust agreement, which is a confidential document.
4. Prepare and send to you via email in Adobe pdf format an **Assignment of LLC Interest to Trust**. This is the document signed by the Trustee of the Confidential Trust and the member of an LLC that causes the owner of an existing LLC to transfer the membership interest in the LLC to the trustee(s) of the Confidential Trust.
5. Give you our **Arizona Corporation Commission Trust Name Instructions**. This document explains how to name the Confidential Trust as a member of a to be formed Arizona LLC and how to change the member of an existing Arizona LLC to the Confidential Trust.
6. Prepare and send to you via email in Adobe pdf format a **Disclaimer of Ownership Interest in Trust Assets. Warning for Trust Makers who are Married & Live in Arizona or a Community Property State**: This document is used by a Trust Maker who is married and who lives in a community property state when the Trust Maker wants to own the LLC or corporate stock as separate property. If this is your situation, you must get your spouse to sign this document. Arizona law provides that all property acquired by a spouse who is an Arizona resident is community property unless the property is acquired as a gift or from an inheritance.

We require payment in advance before we provide any services. Unless there are unforeseen costs (for example you want us to send documents to you via FedEx or out of the U.S.) or developments or you hire us for additional services unrelated to forming your company (at our current hourly rates), the amount you agree to pay in this Agreement will be the only amount you pay us for forming your LLC. We will send itemized invoices. You agree to pay any unpaid amount within ten days after we mail the invoice. If you do not pay an invoice within thirty days, we may charge interest on unpaid amounts at the rate of 1.5% per month, and we may terminate our services and/or withdraw from further representation of the company. The entire amount you pay KEYTLaw, LLC, for fees and costs is nonrefundable, but you may nevertheless discharge KEYTLaw, LLC, and Richard Keyt at any time and in that event you may be entitled to a refund of all or part of the fee based upon the value of the representation. The person who pays our fees and costs by credit card confirms that the company that issued the credit card allows charges for future services, costs and expenses. After three years, we may destroy all documents we collect during the time we provide services.

We are not acting as your attorney in advising you with respect to this Agreement because we would have a conflict of interest in doing so. If the LLC has more than one member, we will represent only the LLC rather than the interests of any member even if we are paid by a party other than the LLC. If you or any person or entity affiliated with the company have questions about this Agreement, we recommend that each concerned person consult with other legal counsel. You are hiring the Firm only to form your Arizona LLC, not to advise the LLC or its members or managers with respect to federal or state income or estate tax issues or securities law. The members and managers should consult with an experienced tax accountant as soon as possible for advice on federal and state income & estate tax issues affecting the LLC and its members. You must consult with other attorneys to advise you on federal and state tax and securities laws.

### SELECT YOUR DESIRED SERVICES & GUARANTEED FIXED FEE

- \$397 **Confidential Trust Preparation Service:** We provide the 6 services listed in the 3<sup>rd</sup> paragraph on page 1. Normal time to prepare the Confidential Trust is 7 - 10 days.
- \$100 **KEYTLaw Address Service (Prevents the Trust Maker's Address from Being Displayed on the Internet on the ACC's Website):** Use KEYTLaw's address as the Confidential Trust's address in Arizona. Arizona law requires that the LLC have a known place of business in Arizona and that the Articles of Organization contain the address of managers and members. Name and address information will be visible on the internet to anybody who looks up the LLC or corporation on the ACC's online database. Select this option if the Trust Maker does not want his or her address to be listed on the ACC's website. **This is an annual fee.** [See a sample of a typical ACC website report that displays addresses of members and managers.](#) Tell everybody to send correspondence to the address where you want the LLC to receive its mail. If we receive correspondence for the Confidential Trust or the company, we charge for postage and a \$35 handling fee to compensate us for our time to mail the correspondence to the company. If you do not pay the annual fee, the Firm will not forward any correspondence it receives addressed to the Confidential Trust, a Trust Maker, Trustee, Beneficiary or the company or have any liability for not forwarding correspondence.
- \$200 **One Business Day Super Expedited Document Preparation Service:** Check this box if you are in a super hurry for us to prepare your Confidential Trust and related documents quicker than our normal 7 - 10 day service.
- \$100 **Three Business Day Expedited Document Preparation Service:** Check this box if you are in a super hurry for us to prepare your Confidential Trust and related documents quicker than our normal 7 - 10 day service.
- \$50 **Discount:** Insert your AZREIA membership number: \_\_\_\_\_. To get this discount you must enter AZREIA in the special code field on the top right corner of our shopping cart when you pay online in our store.
- \$\_\_\_\_\_ **Total** amount to be paid to KEYTLaw, LLC.

### EXPLANATION OF A TRUST

A **Trust** is a legal entity created by one or more people (called the "**Trust Maker**," "**Trustor**" or "**Settlor**" – these terms have the same meaning) in which a person, persons, entity or entities (called a "Trustee") has the legal obligation to manage the assets owned by the Trust for the benefit of a person, persons, an entity or entities (called a "Beneficiary"). Most Confidential Trusts have the same person as the Trust Maker, Trustee and Beneficiary. Married people can both be Trust Makers, Trustees and Beneficiaries. A Confidential Trust cannot have more than one Trust Maker or Beneficiary unless the second Trust Maker and Beneficiary is the spouse of the first Trust Maker and Beneficiary.

A "**Living Trust**" is a Trust created by a Trust Maker while he or she is alive. A "**Testamentary Trust**" is a Trust created in a Last Will & Testament that is created after the Trust Maker dies. Living Trusts are revocable or irrevocable. A revocable Trust is a Trust that the Trust Maker can modify or terminate after the Trust is created. An irrevocable Trust is a Trust that cannot be modified or terminated by anybody other than a court after it is created. Our Confidential Trusts are living Trusts that are revocable until a Trust Maker dies or becomes incapacitated at which time the Confidential Trust becomes irrevocable.

A Trust is evidenced by a written Trust Agreement signed by the Trust Makers and the Trustees. The Trustees have the legal obligation to comply with the terms and conditions of the Trust Agreement. A Trustee who fails to comply with the Trust Agreement can be sued by and can be liable to the Beneficiaries for damages they suffer from the Trustee's breach of the Trust Agreement.

A Confidential Trust is a special type of Trust. The Confidential Trust is a Trust that has the sole purpose of holding and owning membership interests in limited liability companies and stock of corporations. It should not own any other types of assets.

**INFORMATION ABOUT THE CONFIDENTIAL TRUST, TRUSTEES & BENEFICIARIES**  
**You Must Read the Following Explanatory Text before Completing this Form**

In Part 1 below, you must list all Trust Makers, Trustees and Beneficiaries of the Confidential Trust. Before you complete this Agreement, you must understand these three terms and decide who will be the Trust Makers, Trustees and Beneficiaries of your Confidential Trust. These terms have the following meaning:

**Trust Maker (aka Trustor or Settlor):** The Trust Maker is a person who creates the Confidential Trust. There can be more than one Trust Maker, but you must name a minimum of one Trust Maker. **Your Confidential Trust may have no more than two Trust Makers, but the two Trust Makers must be married.** Trust Makers have the legal right to terminate or amend the Confidential Trust, including the right to add or remove Trustees and Beneficiaries. Think of the Trust Maker as the person who has the ultimate control of the Confidential Trust. If you want to be the only person who has the ultimate control then you should be the only Trust Maker.

**Trustee:** A Trustee is a person named in the Confidential Trust Agreement that has possession, control and legal ownership of the assets held in trust for the benefit of the Beneficiaries. The Confidential Trust must have a minimum of one Trustee and it may have multiple Trustees. All trustees must sign the Confidential Trust and will have the legal obligation to comply with the terms and conditions of the Confidential Trust Agreement. Trustees owe fiduciary duties to the Beneficiaries and can be sued by a Beneficiary for breach of a fiduciary duty or breach of the Confidential Trust Agreement.

**Initial Trustee(s):** When the Confidential Trust is created, at least one Trustee must be named in the Trust Agreement. The Confidential Trust can have multiple Trustees from day one. The Trustee(s) named in the Trust Agreement to be the first Trustee(s) are called "Initial Trustee(s)."

**Successor Trustee(s):** The Confidential Trust Agreement should name one or more successor Trustee(s). A successor Trustee is a person who will become a Trustee on the occurrence of an event such as the resignation, death or incapacity of the last initial Trustee or an earlier successor Trustee. The Confidential Trust should name at least one successor Trustee. Multiple successor Trustees are recommended. We recommend the Confidential Trust have at least a first and a second alternate successor Trustee.

**Beneficiary:** A beneficiary is a person for whose benefit the Trustee(s) hold the assets in trust. The Confidential Trust must have at least one current beneficiary and it should be the ultimate owner of the LLC or corporate stock. If the Confidential Trust has a husband and wife as Trust Makers, both of them should be Beneficiaries.

**Remainder Beneficiary:** The Confidential Trust will provide that on the death of a sole Beneficiary or the death of the last Beneficiary when the Beneficiaries are husband and wife, all of the assets of the Confidential Trust will go to the estate of the last Beneficiary who dies. If the Beneficiaries have a trust created for estate planning, the Trust Maker(s) can name the Beneficiary's estate planning trust as the Beneficiary.

**Warning:** The Confidential Trust is not a trust created to avoid probate or provide for distribution of assets on the death of the Beneficiaries to their desired heirs or loved ones. If your goal is to avoid probate or provide for management and distribution of assets to heirs after the death of the Beneficiaries, you should create or use a revocable living trust created for those purposes.

**Information about the Confidential Trust**

**Confidential Trust's Name:** \_\_\_\_\_

**Name of 1st Trust Maker:** \_\_\_\_\_

This is our contact to whom we will send the Trust and related documents.

\_\_\_\_\_

Mailing Address	Residence County
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\_\_\_\_\_

Phone Number	Email Address
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**Single or married?**      Single                  Married

**Spouse's name:** \_\_\_\_\_

**Is spouse a Trust Maker:**      Yes                  No

**Names of All Trustees & Beneficiaries of the Confidential Trust**

Name	Initial Trustee	1 <sup>st</sup> Successor Trustee	2nd Successor Trustee	Current Beneficiary
_____				
_____				
_____				
_____				

**TRUST MAKER'S SIGNATURE**

**Every Trust Maker must sign this Agreement.** **Note:** We represent only the Trust Maker(s). We do not represent any Trustee or Beneficiary.

\_\_\_\_\_  
Print 1<sup>st</sup> Trust Maker's Name

KEYTLaw, L.L.C., an Arizona limited liability company

\_\_\_\_\_  
Signature of 1<sup>st</sup> Trust Maker

By: \_\_\_\_\_  
Richard Keyt, Manager

\_\_\_\_\_  
Print 2nd Trust Maker's Name

\_\_\_\_\_  
Signature of 2nd Trust Maker

**HOW TO DELIVER THE SIGNED AGREEMENT TO KEYTLAW**

1. **Fax:** Fax this Agreement directly to the Firm at 602-297-6890. You do not need a cover sheet.
2. **Snail Mail:** Mail or deliver the Agreement in a sealed envelope addressed to Richard Keyt, KEYTLaw, LLC, 3001 East Camelback Road, Suite 130, Phoenix, Arizona 85016.

**HOW TO PAY**

1. **Online Preferred Method:** [Click on this link to go to our secure online store](#) and pay by Visa or MasterCard.
2. **Snail Mail:** Mail or deliver your check payable to: **KEYTLaw, LLC** to Richard Keyt, KEYTLaw, LLC, 3001 East Camelback Road, Suite 130, Phoenix, Arizona 85016.
3. **Phone:** To give your credit card information over the phone to KEYTLaw legal assistant Katie call her at 602-424-4154.