THE PRIVATE TRUST COMPANY

planning with confidence

Simplified Trust Solutions

The Private Trust Company, N.A.

As the nation's leading independent broker/dealer*, LPL Financial serves the independent financial advisor with one of the highest quality support services available. Through The Private Trust Company, N.A., a wholly owned subsidiary of LPL Holdings, LPL Financial has the ability to deliver fully integrated administrative trust services to you in a seamless manner, while maintaining your relationship with your trusted financial advisor.

* Based on total revenues, as reported in Financial Planning magazine, June 1996-2013

What is a Trust?

A trust is simply your instructions for the management of all or part of your property. An attorney who represents you and has expertise in the area of estate planning should create your trust. The trust document describes:

- How you want your assets managed, and eventually distributed
- Who you want to benefit from your assets now and in the future
- Who you want to be responsible for carrying out these instructions

What Can a Trust Do for You?

A trust can provide a measure of comfort knowing that you have a plan in place to help provide for the safe and accountable management of family assets and to direct their use in accordance with your wishes, goals and objectives.

A trust is used to help ensure the proper management of your assets throughout the different stages of your life:

1. During your active lifetime, placing assets in a trust allows you freedom to continue managing your assets or to devote time to other priorities. A trust created and funded during your life is generally called a "living" or "revocable" trust.
2. In the event you are incapacitated, a trust can help ensure that your needs are met and that your finances are kept in good order for your benefit.
3. Upon your death, a trust becomes "irrevocable", and your assets are managed and distributed by your trustee, in accordance with your instructions throughout the trust's existence.
4. An estate planning attorney may recommend creating an irrevocable trust during your lifetime, in addition to a revocable trust. This may provide creditor protection, controlled giving to family members or estate tax minimization.

The Benefits of a Trust

A trust provides protection for family members who may be unaccustomed to dealing with financial matters. It can offer protection of assets in case of divorce or other litigation. A trust can assure that funding is available for specific needs, such as education, health care or charitable interests. A trust provides a framework in which money is managed in a predictable fashion, by people you choose, according to standards you set. A trust creates guidelines for current and future distributions that reflect your wishes. A trust may also have substantial tax benefits and provide an expedient method to transfer assets.

How Does a Trust Work?

There Are Two Basic Types of Trusts

Revocable or living trusts are the foundation of many clients' estate plans. An irrevocable trust is used for many specific transfer and tax benefits and to handle assets after you have passed away.

Revocable or Living Trust

A revocable or living trust is a trust that you can change or cancel during your lifetime. You control a revocable trust and the trust's earnings are consolidated into your income tax returns. You may continue to manage the assets, or your financial advisor will handle management of your assets under your supervision and upon your disability.

A revocable trust can also be used to transfer assets at death, similar to a will, yet without the formal, court-supervised process of probate. In many states, the probate process is slow and expensive and also opens your estate to public scrutiny. Once you pass away, your wishes are final and thus the trust becomes irrevocable.

Irrevocable Trust

An irrevocable trust is a trust that cannot be changed or cancelled at any time. This trust is a separate legal entity and its own taxpayer. The terms of many irrevocable trusts, however, allow tremendous flexibility. While many irrevocable trusts come into being at death, irrevocable trusts set up before death are often used to hold life insurance policies, gifts of assets to be made available to beneficiaries at a future time, or funds for future charitable contributions. To achieve beneficial tax results, many irrevocable trusts are written to follow patterns based on the rules in the Internal Revenue Code. The structure most suited to your needs can best be determined with the help of financial, legal and tax advisors who specialize in these fields.

A Trust Can Help…

- Provide an orderly means of administering your personal and financial affairs should you become incapacitated, or upon death
- Ensure that your assets are managed for the benefit of your heirs, according to your wishes
- Manage your estate tax exposure and avoid probate costs
- Provide for a relative or disabled child after your death
- Protect assets from a creditor's claims
- Assemble a tax-advantaged charitable gift

A Variety of Trusts Offer Flexibility to Meet Your Needs

Different kinds of trusts are designed to meet different objectives. For example, if your goal is to ensure privacy in the settlement of your estate, to centralize control of assets, or to take full advantage of estate tax credits provided by the IRS, you might choose a living or revocable trust.

Living Trust

A living or revocable trust allows you to remain both the trustee and the beneficiary of the trust while you're alive. You maintain control of the assets and receive all income and benefits. Upon your death, a designated successor trustee manages and/or distributes the remaining assets according to the terms set in the trust, avoiding the probate process. In addition, should you become incapacitated during the term of the trust, your successor or co-trustee can take over its management.

Special Needs Trust

A Special Needs Trust is typically designed to benefit a disabled individual. Instead of giving assets to the beneficiary directly, assets are transferred to a Special Needs Trust by family members or as damages paid because of a lawsuit, and those assets are available for the beneficiary without disqualifying him or her from government programs, such as Social Security Income and Medicaid. A Special Needs Trust provides for supplemental care, which consists of items over and above necessities like housing, food, and clothing, and benefits the government provides.

Survivor's Trust

A Survivor's Trust is a trust created by an individual during life, and which becomes irrevocable (cannot be changed) after his or her death, to provide for a surviving spouse, domestic partner, or other loved one(s). "Survivor's Trust" is a general term for a variety of common trusts, including trusts referred to as an: A Trust, Marital Trust, B Trust, Family Trust, Bypass Trust, or Credit Shelter Trust, among others. No matter what the type of trust, tax provisions or family situation, individuals naming The Private Trust Company to serve as trustee of their Survivor's Trust can take comfort in knowing it will administer their Survivor's Trust for the benefit of loved ones competently, according to their wishes, and in the best interest of the significant others they leave behind.

Charitable Lead Trust

To help benefit your favorite charity while serving your own trust purposes, you might consider a Charitable Lead Trust (CLT). This trust lets you pay a charity income from a particular asset for a designated amount of time, after which the principal goes to the beneficiaries, who can receive the property free of estate taxes. However, keep in mind that you may need to pay gift taxes on a portion of the value of the assets you transfer to the trust.

Charitable Remainder Trust

Another charitable option, the Charitable Remainder Trust (CRT), allows you to receive income and a tax deduction at the same time, and ultimately leave assets to a charity. Through this trust, the trustee will sell the donated property or assets, tax-free, and establish an annuity payable to you, your spouse, or your heirs for a designated period of time. Upon completion of that time period, the remaining assets go directly to the charity. Highly appreciated assets are typically the funding vehicles of choice for a CRT.

Generation-Skipping Trust

If you want to leave money to your grandchildren, you might consider a Generation-Skipping Trust. This trust can help preserve your generation-skipping transfer tax exemption on bequests to your grandchildren and avoid the tax on bequests exceeding that amount, which can be up to 45%.

Irrevocable Life Insurance Trust

An Irrevocable Life Insurance Trust (ILIT) is often used as an estate tax funding mechanism. Under this trust, you make gifts to an irrevocable trust, which in turn uses those gifts to purchase a life insurance policy on you. Upon your death, the policy's death benefit proceeds are payable to the trust, which in turn provides tax-free cash to help beneficiaries meet estate tax obligations.

Roles of Your Professional Advisors

Your financial advisor's role is to support everyone, not to replace anyone. Your financial advisor will work with you and your tax and legal advisors, helping to coordinate and communicate your complete financial picture. The drafting of your trust document will be done by your estate planning attorney. LPL Financial, through The Private Trust Company, is available to administer your trust, once it's properly drafted. You can continue to benefit from the judgment of your trusted financial advisor, while your family's wealth is protected by a knowledgeable trustee.

The Trustee - A CEO for Your Estate

The trustee's role is to administer and distribute the assets in the trust according to your wishes, as expressed in the trust document. There are three primary elements to the trustee's role:

Custody

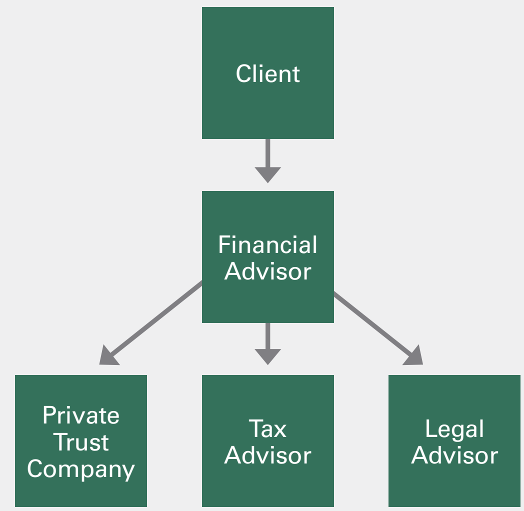
The custodial role is that of a financial secretary and security guard. The trustee must identify and then take title to the trust's assets, keep accurate records, report to the current beneficiaries, execute and settle all transactions, protect and insure the property and defend the trust against claimants. The trustee oversees the preparation of appropriate tax returns and all of the trust accounting in compliance with complex state and federal laws.

Asset Management

The trustee is ultimately responsible for the preservation and investment of assets in the trust, ensuring that invested assets are productive and managed appropriately given the trust's objectives. The trustee has the legal responsibility to reassess the objectives of the trust and current market conditions at least annually and to be sure that the investments match those objectives. Trustees will often hire professional managers to handle the day-to-day specialized activities such as real estate management. The day-to-day investment management is delegated to your trusted financial advisor.

Administration

The administrative role is central to carrying out your wishes regarding the use of assets in the trust. The trustee carries out your directions and follows your guidelines in handling the specific circumstances of each request for funds from trust beneficiaries. This involves legal interpretation of the language in the document and appropriate input from family members. Experienced and unbiased trust administration and record keeping are vital components to implementing your plan. The day-to-day relationship management is also handled by your trusted financial advisor.



All trusts, revocable and irrevocable, have three parties involved:

1. The person who creates the trust
2. The person or firm that manages the trust
3. The people or charities that benefit from the trust

It's important to consider who you want to manage your assets and who will benefit from the trust, both now and in the future.

The Private Trust Company offers administrative services for the following types of accounts:

- Revocable or Living Trusts
- Irrevocable Trusts
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Special Needs Trusts
- Life Insurance Trusts
- Agency
- Custodial
- Private Foundations
- Guardianships
- Family Office Group

Why Use a Professional Trustee?

Trustees may have to make tough decisions that might not be popular with all your beneficiaries. After all, the trustee is carrying out your instructions, not your beneficiaries' wishes. This can be a difficult role to fulfill for a family member, who may not be unbiased, or may wish to act in a manner that avoids hard feelings within the family, rather than carrying out your instructions. Also, few family members have investment management skills or expertise in fiduciary law and practice. Family members can be given important advisory roles, in approving disbursements, for example, or other exercises of discretion.

The Benefits of Naming a Professional Trustee Include:

- Unbiased loyalty and independence to carry out your wishes
- Knowledgeable management, protection and defense of trust assets
- Experienced oversight of the investment process to be carried out by your financial advisor
- Timely and accurate statements of the account to keep you and all current beneficiaries informed
- Consistent annual reviews
- Accountable collection and prudent distribution of income and assets
- Tax reporting, filing and comprehensive regulatory compliance on behalf of the trust

Why Use The Private Trust Company?

The Private Trust Company is an independent trust company dedicated to the administration of trusts and other family wealth arrangements such as family offices, businesses and foundations. The Private Trust Company dedicates its attention to serving the clients of financial advisors, delivering trust services and applying their high-quality service to every step of the trust administration process. PTC specializes solely in providing administrative fiduciary services and currently serves in a fiduciary capacity for over $60 billion in assets.

Regulated and examined by the Office of the Comptroller of Currency, a division of the U.S. Treasury Department, The Private Trust Company is a member of the Federal Reserve Bank and is audited by Deloitte. Acquired in February 2003, The Private Trust Company manages trusts and family assets for high-net-worth clients and is licensed in all 50 states under its 1995 national banking charter. The bank does not engage in any lending or deposit taking, specializing solely in providing administrative fiduciary services. Accounts at The Private Trust Company are insured by an insurance consortium and include a fiduciary bond of up to $15 million per occurrence without limit on the number of occurrences.

Advantages of Choosing The Private Trust Company:

- Experienced and knowledgeable trust officers with backgrounds in law, accounting, banking, investment management, tax and business.
- Trust officers who are sophisticated professionals with objective family sensitivities.
- Chartered as a national bank devoted solely to trust services for families.
- Regulated and examined by the Comptroller of the Currency, audited by independent auditors and bonded to protect your assets.
- Able to provide trust services in all 50 states.
- The Private Trust Company is designed to work with your financial advisor as a team player, providing timely and accurate statements to you and your other advisors.
- The Private Trust Company helps you develop a written investment policy statement to provide a clear understanding of your goals, objectives and guidelines for the trust.
- Accounts are reviewed annually and investment policies are revised as appropriate to reflect changes to the portfolio, client circumstances and markets.
- Wholly owned by LPL Holdings

How Do I Get Started?

- First, discuss your goals with your financial advisor, who can help determine whether a trust may be right for you.
- Have the trust document drafted by your attorney, incorporating sample language The Private Trust Company provides to ensure flexibility in using your choice of financial and family advisors to the trustee.
- Name The Private Trust Company as Trustee or Successor to the Trustee.
- Work with your financial advisor to set up a trust account at LPL Financial and transfer appropriate assets into it.
- Enjoy the comfort of knowing that your wishes will be carried out.

Comparing Trustee Choices

Your choices of a trustee or successor trustee may include a family member or friend, a professional advisor such as an attorney or CPA, or a corporate trustee. Each choice offers specific advantages and disadvantages. It may be helpful for you to consider these choices in the context of the duties of the trustee and the desired qualities outlined below.

Duties

Trustees must either perform or contract for services required by the trust.

Trustee Choice	Duties
Family member	Contracts for legal, accounting, investment and other services
Professional advisor (Attorney or CPA)	Administers own area of discipline; contracts for other services
Corporate trustee	Most services bundled in "turn-key" package; contracts others

Ability and Willingness to Serve

Potential trustees cannot foresee their personal situations in the future. Unlike the executor of a will, a trustee's duties may extend for many years and span generations.

Trustee Choice	Ability/Willingness to Serve
Family member	Risk of personal conflicts or preceding you in death
Professional advisor (Attorney or CPA)	Risk of personal conflicts, retirement or preceding you in death
Corporate trustee	Established specifically to provide continuous service; potential for some organizational risk

Commitment

Will vary according to personal and professional attachment. Unlike the executor of a will, a trustee's duties may extend for many years and span generations.

Trustee Choice	Level of Commitment
Family member	Generally high level of commitment, but risk of conflict
Professional advisor (Attorney or CPA)	Retirement or change in professional relationship may dilute level of commitment
Corporate trustee	High level of commitment, core business function

Competence

Varies in manner similar to duties.

Trustee Choice	Competence
Family member	Not usually area of expertise
Professional advisor (Attorney or CPA)	May not be area of expertise
Corporate trustee	Core business function; professionally trained

Cost
May span a wide range based on expertise and fees of trustee.

Trustee Choice	Cost
Family member	Generally no cost for administration; high cost for contracted services on an "a la carte" basis (reporting, legal, tax, other)
Professional advisor (Attorney or CPA)	Trustee may charge fee for administration and own area of discipline; contract other services on an "a la carte" basis
Corporate trustee	Most services bundled in cost-effective "turn-key" package; others contracted often in volume to manage costs

Experience
May span a wide range based on specific trustee.

Trustee Choice	Experience
Family member	Varies by individual background
Professional advisor (Attorney or CPA)	Likely to have significant experience in own area of discipline; administrative skills less certain
Corporate trustee	Provides professional staff that possesses trust experience and skills

Objectivity/Freedom from Conflicts
Trustee's interests may conflict with beneficiaries.

Trustee Choice	Freedom from Conflicts
Family member	May have specific conflicts if also named as a beneficiary; a common source of discord among siblings
Professional advisor (Attorney or CPA)	As administrator, may make decisions involving payments for own professional services and have other family roles
Corporate trustee	Unbiased interpretation of trust document and administration

Other Trust Considerations

Other considerations such as the type of trust you set up, the purpose of the trust and the size and assets included in the trust should be taken into account when choosing between an individual, professional or corporate trustee.

	Trustee Choice		
Trust Considerations	Family Member	Professional Advisor	Corporate Trustee
The trust will payout immediately upon grantor's death	x	x	
The trust will continue for a number of years			x
The grantor needs an unbiased trustee during incapacity		x	x
Trust is a charitable trust or a foundation		x	x
Trust is under $200,000	x	x	
Trust is between $200,000 and $500,000		x	x
Trust is over $500,000			x

Choosing a Trustee – Worksheet

The worksheet below is designed to help you evaluate your choices of trustee or successor trustee based on the specific attributes and characteristics of the trust. Highlighted are the services provided by The Private Trust Company, N.A. (PTC) as a corporate trustee.

PTC is a wholly owned subsidiary of LPL Financial Holdings. PTC administers trusts and family assets for high net worth clients and is licensed in all 50 states under its 1995 national banking charter.

Trustee Attributes	Family Member or Professional	The Private Trust Company, N.A.
Discharge of Duties		
Trust accounting for each beneficiary's principal and income?		Included
Investment of assets?		LPL Financial Advisor with trustee oversight
Prepare and file tax returns?		Included
Ability & Willingness to Serve		
Have outside job limiting time spent?		No; dedicated full time
Subject to death or incapacity?		No; continuing service
On vacation and unable to serve?		No; continuing service
Comfortable assuming liability as fiduciary?		Yes
Competence		
Has skill to invest assets?		LPL Financial advisor with trustee oversight
Has experience with legal interpretation of documents?		Yes
Cost		
Will trustee have to hire a CPA for accounting and tax preparation?		No; included
Will trustee need an attorney for legal interpretation of the trust?		No; experienced in trust interpretation
Experience		
Does trustee have investment experience?		LPL Financial advisor
Does trustee have accounting experience?		Yes; experienced in trust accounting
Does trustee have legal background?		Yes; experienced in trust interpretation
Objectivity		
Can trustee make unbiased decisions for discretionary distributions?		Yes
Will trustee follow instructions laid out in the trust?		Yes
Will the other beneficiaries support the decisions of the trustee?		Yes
Trust Duration and Type		
Will trust payout to beneficiaries immediately upon grantor's death?		Corporate trustee may not be necessary
Will the trust last a number of years, or in perpetuity?		Provides continuity of service
Is the trust a charitable trust or foundation?		Experienced with the needs of charitable trusts and foundations
Cost Considerations		
Is the trust under $200,000?		May not be cost effective
Is the trust between $200,000 and $500,000?		May be cost effective, especially if the trust is charitable, or will last several years
Is the trust over $500,000?		May be the most cost effective approach

Benefits of Ohio Law

While individual state law can govern the construction and validity of the trust, The Private Trust Company administers most trusts under Ohio law due to its consistent, fair and flexible legal and tax environment.

The Benefits of Ohio Law Include:

- Uniform Prudent Investor Act providing flexible and modern investment rules, which, among other positive aspects, allow the ability to delegate investment management responsibility to the client's financial advisor.
- Use of Total Return Trusts, which may be more favorable to both current and future beneficiaries.
- Trusts can continue for as long as desirable since Ohio law allows for opting out of the Rule Against Perpetuities.
- Attractive statutory environment for those setting up trusts.
- Settled law protecting beneficiaries of trusts.
- Clear standards for trustees, promoting consistent administration.
- The ability to utilize a family member as a "Trust Advisor" or "Trust Consultant."
- Beneficial trust income tax treatment in most cases.

Is a Trust Right for You?

Increasing numbers of Americans are discovering the potential benefits of a trust — how it can help protect their assets, reduce their tax obligations, and define the management of assets according to their wishes in a private, effective way. Your financial advisor can help you evaluate a certain type of trust to determine if it may be appropriate for your circumstances.

Points to Remember

1. Trusts are either revocable or irrevocable.
2. Because you can change or discontinue a revocable trust at any time, the government considers the trust's assets as part of your estate for tax purposes under most circumstances.
3. Irrevocable trusts cannot be altered once they are established; for this reason, they are usually not considered part of your estate for tax purposes.
4. Types of trusts include: Living or Revocable Trusts, Irrevocable Trusts for surviving spouses or significant others, Special Needs Trusts, Generation-Skipping Trusts, Charitable Lead Trusts, Charitable Remainder Trusts, and Irrevocable Life Insurance Trusts.
5. Different types of trusts involve different costs for administration.
6. Your financial advisor can help you determine if a trust will meet your needs.

Glossary of Terms

Administration: The management of a decedent's trust or estate including the payment of expenses, debts and obligations, and the general settling of the trust or estate. Also known as an estate or trust settlement.

Administrator: An individual or entity, such as a trust department, appointed by a court to settle the estate of a person who has died without leaving a valid will.

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 document when the trust terminates.

Corporate Trustee: A trust institution serving as trustee.

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.

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.

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 and owns a life insurance policy. Upon death, the insurance proceeds are paid out in accordance with the terms of the trust.

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

Living Trust: A revocable 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 intervivos 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.

Probate: The legal process wherein the estate of a decedent is administered, which includes the process of proving validity of a will in court and executing its provisions under the guidance of the court. Assets in trust avoid probate.

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.

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

The Private Trust Company, N.A.

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