Opinion Letter

To Whom It May Concern:

The Trust structure which you have been settled into is a unique, proprietary legal instrument that provides exceptional asset protection, as well as eliminating significant tax at the Trust level. The Trust, a Non-Grantor, Irrevocable, Complex, Discretionary, Spendthrift Trust, is specifically designed such that certain capital gains and extraordinary dividends are excluded from tax at the Trust level, thereby reducing the amount of tax to the Trust.

The governing law of the Trust is found at Internal Revenue Code section 643. Pursuant to section 643(a)(3), capital gains income, which is income that is earned through the disposition of capital assets, passes through the pass-through Business Trust and is allocated to the corpus of the Beneficial /Beneficiary Trust. By so allocating capital gains to the corpus of the Beneficial/Beneficiary Trust, this income is excluded from the definition of distributable net income of the Trust, as determined by Internal Revenue Code sections 643(a) and 643(b), and is not taxable income to the Trust until such time as a distribution outside of the trust has been allocated.

Similarly, pursuant to section 643(a)(4), an Internal Revenue Service Form K-1 is issued to the LLC. The Form K-1 indicates the amount of taxable income which is earned at the LLC level. This amount, which passes through the Pass-Through Business Trust, allows the Business Trust to legitimize K-1 distributions which may be allocated to the corpus of the non-self-settled Beneficial/Beneficiary Trust (an unrelated party), which is declared as an extraordinary dividend. Like the tax treatment of capital gains, the extraordinary dividends, which are allocated to the Trust's corpus, escape the definition of distributable net income and are not taxable income to the Trust.

Not only does the Trust structure provide substantial tax benefit at the Trust level, it provides anonymity to the Compliance Overseer of the Trust. Because the Trust is settled through a Third-Party Settlor without the transfer of assets and established banking, the identity of the Compliance Overseer is not known. Rather, the Third-Party Settlor, an unrelated third party to the transaction, is identified as the Trust's settlor.

Of particular importance is the fact that the Trusts have withstood significant scrutiny and have been determined to be sound from a tax perspective. Similarly, the Trusts have been the focus of examination by the Internal Revenue Service and were held by the Internal Revenue Service to be legally sound. As such, the Trusts have proven to be an excellent method to ensure asset protection and sound tax policy, as a business motivated strategy.

Sincerely,

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