

recommended that your trust file a return showing a large number of zeros. When a return is filed, the Treasury must act on that return within three years or forfeit all right to do so except in cases of fraud. Consequently, the filing of an annual return, regardless of the amount of income, is advisable.

Use of Trust Property - Valuable personal property is often transferred into trusts. Usually, clothing or costume jewelry or utilitarian small appliances are not transferred into trusts, but mink stoles, engagement rings, or highly valuable jewelry are usually protected from probate and liquidation by trust procedures. Quite often, jewelry that is purchased amounts to investment, where gem values appreciate.

Any person may use the furs or jewelry placed in trust upon the express permission of the trustees. This permission is usually evidenced by a lease agreement, a note of permission, a minute of the board of trustees, or combinations of these procedures. The trustees may lease properties owned by the trust for any values considered reasonable by the trustees. Again, this only applies the principle that the trustees control all trust activities, and that nothing may be properly done