

or control securities in four separate accounts; individually, your trust, your corporate foundation, and your trust foundation. You might decide that it would be easier to handle your portfolio through a single account. This might lead you to believe that all you would need to do is transfer title. Because your trust is obviously an easy place in which to operate an investment program you might decide to place every single security that you presently own or ever acquire through all entities in your trust.

Without proper consideration, however, you may have the following problems. First, how would you justify the transfers from your trust foundation and your corporate foundation to a profit-making, taxpaying entity? Second, would you be involved in owing transfer taxes and transfer payments to your broker because of this simple transaction? Third, would you be liable for attributable capital gains on the securities you transferred from your individual ownership to the trust? Fourth, would your foundations be guilty of any prohibited transaction?

Even though your securities did not leave your control, you may have caused a great deal of trouble through your treatment of individual, independent, legal entities as