



## Deferred Sales Trust Fees:

### Capital Gains Tax Solutions, DST Attorney and TBD Wealth Management

#### WHAT'S MY RETURN ON INVESTMENT USING THE DST?

How much will capital gains tax, income tax or estate tax cost you if you don't use the Deferred Sales Trust (DST)?

How many hours will be lost focusing on toilets, trash, tenants, and termites if you don't sell your asset due to large capital gains tax?

Will overpaying for a 1031 exchange property instead of a DST put you in a compromised financial position?

How many deals are going to pass you by because you did not have liquidity on the sidelines to jump on the opportunity since you settled for the 1031 exchange?

How much stress and increased risk will be caused by having too much debt and not enough diversification if you don't sell your highly appreciated asset?

How much more tax will you pay on cash flow with an old depreciation schedule because you did not use a DST.

Did you know the DST gives you a new depreciation schedule on the purchase of active investment real estate properties when you J.V. partner with the DST? Did you know you can delay payments from the DST for a few years which can lower your overall income tax?

#### WHAT COMES WITH THIS?

- Full Deferred Sales Trust (DST) Tax and Legal Structure. The legal fee is tax-deductible at the DST level.
- The DST legal team will work with your CPA to properly report your personal tax return.
- CPA/ DST Tax Attorney Access -(Bring your trusted CPA to help you investigate the DST, however, please to have them sign the DST NDA)
- Lifetime IRS DST Audit Defense with DST Legal Team with 100% 25+ year successful track record.
- 24/7 access to view investments at TD Ameritrade or similar brokerage account with real-time online updates.
- Transaction coordination with your broker or attorney who is selling your asset.
- Professionally Prepared Tax Return Service for the DST.
- Accounting report professionally prepared each year to give you clarity on the performance of the DST.
  
- **BONUS:** Access to a professional network of CRE Brokers, Luxury Realtors, M&A Advisors, Business Brokers, and Living Trust and Estate Planning Attorneys.
- **BONUS:** Capital Gains Tax Solutions NV, LLC is in Nevada which is the tax-favorable state for the trust.

**100% no cost unless you choose to use the DST and your deal actually closes. We only get paid when your tax is deferred. In the event, the transaction is not completed by you, or persons or entities related or controlled directly or indirectly by you, or your family members, then no fee shall be due.**

# OUTLINE OF ALL DST FEES

Capital Gains Tax Solutions NV, LLC TRUSTEE SERVICE AGREEMENT  
THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT. READ IT CAREFULLY.

## One Time Legal Fee

Legal Fee	*1.5%	Amount up to \$1 Million
	*1.25%	Any portion over \$1 Million

\*Amount is based on the gross asset sales price. The minimum legal fee is \$5,000

## Annual Recurring (In Network Fee)

Trustee fee paid at close of escrow & once a year thereafter starting on Oct 1st	Base Financial Advisor Fee	=	Total Base Annual Fee
*0.85%	TBD	=	?

\*Minimum Trustee Fee is \$5,000.  
**\*\*see next page for fee breaks.**

Percentages are based on the total assets within the Trust at the time the fee is assessed.  
Financial Advisor Fee is only charged for Security Investments such as Stocks, Bond, Mutual Funds, ETF...etc.  
At least 20% of Net Trust Value must be invested in securities to maintain liquidity and diversification of the trust.

## or Annual Recurring (Out of Network Fee)

Up to **80% of the Net Trust Value** may be invested in out-of-network investments such as: Investment Real Estate, Investment Real Estate Development, Private Businesses, Hard Money Loans, and/or any other investment not acquired through the financial advisor. If zero outside investments are made then this fee is not CHARGED. **THERE ARE NO DOUBLE CHARGES.**

Total Trustee Annual Fee If Out Of Network
-1.5% non-Reg D investments -If Reg D (2%)

**No matter how and where the DST funds are invested (In-Network & Outside Out of Network) the total fee to the DST Fee is 1.5% + Misc Fee's below...unless Reg D investments then 2%**

## Misc Fees

LLC Setup Cost. Only applies to Out of Network active deals.	Estimated \$1,500 - \$4,000 One Time
Trust Tax Return	Estimated \$1,275 - \$2,500 annually + \$800 for CA Deals
Accounting Fee	Estimated \$250 annually
DST Bank Account	Estimated \$1,500 annually

\*misc fees are subject to increase

## Sample Deal \$1M Business Sale

**Legal One Time Fee = \$15,000**  
**Trustee & Financial Advisor Annual Recurring Fee = \$15,000**  
**Estimated Misc Recurring Fees = \$2,950**

\*Most Promissory Deferred Sales Trust Notes Target an **8% compounding interest rate return net of all of recurring fees** including; trustee fees, EPT fees, bank fees, tax return fees, and misc fees at the end of any 10 year period of time.

# OUTLINE OF FEE BREAKS

Capital Gains Tax Solutions NV, LLC TRUSTEE SERVICE AGREEMENT  
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DST Amount	**Total Base Annual Fee
\$0 - 2,000,000	TBD
\$2,000,001 - \$5,000,000	TBD
\$5,000,001 - \$10,000,000	TBD
\$10,000,001 - \$20,000,000	TBD
\$20,000,001 - and above	TBD
If Reg D investments	2%

The above discount of the total base fee is applied based on the total trust value at the time of assessment.

\*\*Please note these fees are for the asset management portion of the portfolio and don't take into consideration other investment products that may be utilized. When calculating the fees the entire sum of the transaction is included. In addition, the financial advisor will clearly go through the fees associated with all investments and make sure you are well aware of the risks/rewards of each investment and the cost structure to each.

\* All fees are paid by the Trust. Most promissory notes are targeted at 8% which means an 8% net of all recurring fees at end of the note if the investments performed around 9.5% to 10%. Performance of investments are not guaranteed.

## Read and Approved By:

Creditors:

Creditors:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

TRUST NAME: \_\_\_\_\_

\_\_\_\_\_  
Capital Gains Tax Solutions NV, LLC  
Trustee. By: Brett Swarts as General Managing Member  
Date: \_\_\_\_\_

# SAMPLE ONE TIME LEGAL FEE

\$1,500,000 Gross Asset Sales Price

\$478,750 debt on the asset

$\$1,00,000 * 1.5\% = \$15,000$

+

$\$500,000 * 1.25\% = \$6,250$

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**Total One Time Legal Fee = \$21,250**

$\$1,500,000 - \$478,750 - \$21,250 =$

**\$1,000,000 Net Proceeds Into Trust**

The legal fee is **100% NO COST** unless you choose to use the DST and your deal actually closes. DST Attorney only gets paid when your tax is deferred using the DST.

# SAMPLE ANNUAL RECURRING FEES - INSIDE INVESTMENTS ONLY

\$1,000,000 Net Proceeds into Trust after DST one time attorney fee is paid

\$1,000,000 is at the bank, invested 100% in Securities.

\$15,000 **\*Trustee & \*\*Financial Advisor Fee**

**\*\*unless some specific investments charge more.**

**\*\*Financial advisor or outside real estate or business deal.**

**\*\*\*Trustee Fee (paid at the close of escrow)**

+ \$250 Accounting fee

+ \$1,500 Bank Fee

+ \$1,275 Tax Return

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\$18,025 (year 1) with \$16,750 of the total fee paid by the trust at the close of escrow.

**(+\$800 for California sold assets. Only applies to CA)**

**\*\*For Financial Advisor Fee:** Rate for securities and other financial investments will be determined and agreed to by parties based on the specific investments held within the trust.

**\*\*\*Paid at the close of escrow and once per year on October 1st based on trust total value as of October 1st of each year (Prorated based on the month of close date for 2nd-year trustee fee and then on schedule from that point on 1 per year)**

## **SAMPLE ANNUAL RECURRING YEAR 2 WITH GROWTH + INSIDE & OUTSIDE INVESTMENTS**

**\$1,000,000 Grows to \$1,500,000 In Trust**

\$1,500,000 is the value of the trust and regardless of where it is invested, either 100% with a **Financial advisor or outside real estate or business deal.**

**\$22,500 \*Trustee & \*\*Financial Advisor Fee**

**\*\*unless some specific investments charge more such as Reg D investments which is 2% of the dollar amount invested into the Reg D investment.**

+ \$250 Accounting Fee

+ \$1,500 Bank Fee

+\$1,275 Tax Return

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\$25,525 paid Oct 1st of the following year and may be higher or lower based on the close date of the trust.

**(+ \$800 for California sold assets. Only applies to CA)**

**\*\*For Financial Advisor Fee: Rate for securities and other financial investments will be determined and agreed to by parties based on the specific investments held within the trust.**

**\*\*\*Paid at the close of escrow and once per year on October 1st based on trust total value as of October 1st of each year (prorated based on the month of close date for 2nd year trustee fee and then on schedule from that point on 1 per year)**

# DISCLOSURES & ACKNOWLEDGEMENT STATEMENT

## I HERBY ACKNOWLEDGE, UNDERSTAND, AND AGREE TO THE FOLLWING

- The primary value of the DST is tax deferral and tax optimization. Secondary value is diversification, liquidity, optimal timing, and flexibility to own or not own real estate/business. 80% of the total trust value is available for out-of-network investments such as investment real estate or a business within the United States. I'm not the owner of the trust. I'm a secured lender, however, if the DST plus is used my heirs can be the beneficiaries. I understand the return on investment for the deferred sales trust is in direct correlation to the amount of capital gains tax-deferred, total trust proceeds, the timing of payments, investment performance, funds moved outside of my taxable estate (only applies to DST plus and for large cases), and therefore the recommending values are at least \$1M in net proceeds into the DST from the sale of my asset and at least \$300,000 of tax liability deferred which is computed usually by at least \$1,000,000 of gain. I understand mortgage over basis is not tax deferrable using the deferred sales trust.
- I understand that there is no guarantee of any financial return on the investments within the deferred sales trust and I run the risk of losing my entire investment.
- Each DST includes Lifetime IRS DST Audit Defense with Campbell Law who so far has a 25+ year 100% successful track record with DST IRS Audits.
- If TD Ameritrade is used exclusively, then a 2nd Bank may not be necessary, however, if outside real estate deals are completed then it is mandatory to have the 2nd Bank in addition to TD Ameritrade.
- If a 2nd Bank is used then a bank fee will be assessed each year by the Bank from the trust in an amount of around \$1,500. This bank fee is tax-deductible at the trust level.
- DST trustee, bank, and financial service fees are tax-deductible at the trust level.
- The Trustee fee (Capital Gains Tax Solutions NV, LLC) is paid at the close of escrow and then paid on a recurring basis once per year on October 1st based on trust total value as of October 1st of each year. It will be prorated based on the month of close date for the 2nd-year trustee fee and then each October thereafter. Example) close of escrow is June 1st... then the fee would be delayed 4 months which would increase the 2nd year trustee fee by 4/12 for the 2nd year and that year only. The following year will have no prorated amount since it will be for 12 months ending October 1st. In the event, my transaction is not completed by you, or persons or entities related or controlled directly or indirectly by you, or your family members, then no fee shall be due.
- \$250 accounting report fee is paid at the close of escrow and once per year thereafter on the October schedule (prorated) - see above.
- DST Tax Return Fee of \$1,275-\$2,000 is an annual fee and starts the year after the DST closes. This fee along with the accounting report fee may increase over the term of the note. For any property sold in CA, the standard DST Tax Return is a minimum \$2,000 which includes an \$800 CA Franchise Tax Board charge for property, business or asset sold within CA.
- DST attorney fee is a one-time fee and is tax-deductible on the trust level if paid from the asset sales proceeds or personal level if you choose to pay out of your personal account. This includes Lifetime IRS DST Audit Defense.
- I understand if I purchase investment real estate by structuring a J.V. partnership between my trust and me personally via a new LLC partnership and if I'm an active investor in the new deal that I can receive depreciation from this LLC which owns a property with a new basis. If the trust invests passively into a real estate deal in which I'm not an active general partner the depreciation is not available on my personal tax return.

### Read and Approved By:

Creditors:

Creditors:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# DISCLOSURES

## I HERBY ACKNOWLEDGE, UNDERSTAND, AND AGREE TO THE FOLLOWING

- I do not own the DST Trust. If I did, the DST Trust would trigger the tax I owe, however, I'm the Creditor and the promissory note is an asset I own and I need to add this to my living trust to avoid probate. My heirs do not receive a stepped-up basis, however, they can step into my shoes and continue the tax deferral. As a Creditor, I have all the rights and protections of a lender and have the ability to foreclose on the deferred sales trust and receive the full payment due if the DST is not performing to the terms of the promissory note.
- As the Creditor(s), I understand Capital Gains Tax Solutions NV, LLC (CGTS NV, LLC) are solely a Trustee for the Deferred Sales Trust. CGTS NV, LLC does not provide legal, tax professional services, or tax advice. Each transaction and individual circumstances vary widely and participants are strongly urged to seek independent legal, tax, and professional advice. I acknowledge that I have not been provided investment or tax advice by Capital Gains Tax Solutions or any of its affiliates, except Campbell Law Firm and that I have additionally been encouraged to consult my personal investment or tax advisor.
- Payment: Creditor(s) hereby agrees that DST Trust payments will be made on the term of the promissory note.
- Creditor(s) understand that Capital Gains Tax Solutions NV, LLC makes no guarantees and provides no refunds for Trustee fees charged.
- Indemnity. Each Party agrees to protect, defend (at the indemnifying Party's expense and by counsel satisfactory to the other Party), indemnify, and save and hold harmless the other Party, its affiliates and each of their respective officers, directors, shareholders, employees, agents, successors in interest, representatives, agents, assigns, and contractors (collectively, the "Indemnitees") from and against all direct or indirect costs, expenses, damages, losses, obligations, lawsuits, claims, or liabilities of any kind or nature (whether or not such claim is ultimately defeated) (collectively, "Losses"), including in each instance, but not limited to, all costs and expenses of investigating and defending any claim at any time arising and any final judgments, compromises, settlements, and court costs and attorneys' fees, whether foreseen or unforeseen (including all such expenses, court costs, and attorneys' fees in the enforcement of its rights hereunder) incurred by the Indemnitees, or any of them, in connection with or arising out of or resulting from or relating to or incident to: (a) any breach of any of the representations or warranties of a Party contained in this Agreement; (b) any breach of any covenant or other obligation of a Party contained in this Agreement; and (c) any negligent act or omission or willful misconduct by a Party or by such Party's agents, employees or other representatives in connection with this Agreement. Notwithstanding the foregoing, no Party shall be required to indemnify any other Party (or other Indemnitee) under this Section to the extent an Indemnitee's negligent action or omission contributed to such claim or loss. The foregoing indemnification obligation will survive the expiration or termination of this Agreement by either party for any reason.

### Read and Approved By:

Creditors:

Creditors:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_