

# BRIDGEFORD<sup>®</sup>

Trust Company

...Delivering Direction and Control

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# About Us

Bridgeford Trust Company is an independent, full service trust company with South Dakota Trust powers, providing industry leading progressive fiduciary services to domestic and international families across the country and around the world.

Our company traces its origins back to the descendants of James Ford Bell, the founder of General Mills, and was established as a private trust company to serve the various and complex trust and fiduciary needs of one of America's largest and most prominent families. Bridgeford Trust Company has evolved over the years into a public trust company serving the ultra high net worth and family office space.

Driven by the demands and unique needs of affluent families, more change has occurred in the fiduciary industry in the past twenty years than has occurred in the previous two centuries. Leveraging cutting edge, modern trust laws, Bridgeford Trust Company is a part of this trend nationally and represents a new and emerging wealth management service paradigm built around true independence, collaboration, and world-class capabilities.



*"The trust industry is undergoing a quiet revolution that has wrested control of trust accounts away from traditional trustees – primarily in the banks and other large institutions – and back into the hands of independent trust companies and advisors."*

# Advisor Friendly **Fiduciary Services**

Trust planning and administration continues to be an essential component of wealth planning for affluent individuals and families. Asset managers, financial advisors, insurance professionals, and family offices without access to progressive trust powers operate at a significant disadvantage when competing in the marketplace with large bank-based trust companies. In addition, such advisors are clearly at risk of losing significant assets as wealthy clients pass away and assets flow out of their estate and into trust accounts managed by trust companies that insist upon managing assets.

Collaboration with Bridgeford Trust Company allows asset managers, financial advisors, insurance professionals, and family offices to retain control over assets and remain the trusted advisor over multiple generations through the use of directed trusts. A directed trust bifurcates the trust administration and investment functions, allowing the asset manager to retain control over the investment process (and fees) while the independent trustee administers the trust. This “unbundling” of financial services allows the trustee and advisor to collaboratively provide comprehensive wealth management without losing control of the relationship or fees – a true win for the client and advisor.

*"Surveys of affluent families across the country consistently indicated that this demographic has grown weary of the inflexibility, turnover, and exorbitant fees associated with institutional bank based trust departments."*

# Asset Protection Trusts

Domestic Asset Protection Trusts (DAPT), available only in a small number of states – including South Dakota – are a formidable planning strategy that legally shields assets from third party liability and lawsuits while permitting settlors to retain some control over the trust assets and enjoy a discretionary benefit during their lifetime.

Therefore, an individual can establish a DAPT that is fully discretionary, meaning settlors can receive financial benefit from the trust (income and discretionary principal distributions), and protect trust assets from creditor claims and lawsuits, while maintaining control over the investment management function through the directed trust structure.

South Dakota has one of the oldest and most progressive self-settled Domestic Asset Protection Provisions in the United States. With its two year “look back” fraudulent conveyance statute, South Dakota’s provision is among the shortest in the country – Delaware has a four year fraudulent conveyance statute.



# Directed Trusts

Directed Trusts – only available in a handful of states including South Dakota – continue to drastically change the trust world through unbundling asset management and trust administration functions, putting control back into the hands of settlors, beneficiaries, and their advisors. Through bifurcating liability, the directed trust model creates a legal framework allowing trustees and beneficiaries to work with asset managers and independent trust companies of their choosing.

South Dakota's directed trust statute is recognized as among the best in the nation. As a South Dakota chartered trust company, Bridgeford Trust Company can work collaboratively with clients and their long-time trusted advisors while delivering industry leading fiduciary capability.



*"The emergence of upstart nondepository public directed trust companies is a disruptive force to be reckoned with."*

# Foreign Grantor Trusts

For a myriad of reasons – including privacy and asset protection – wealthy families from around the world are seeking U.S. trust solutions. Because of the power and sophistication of its trust laws, international families are increasingly selecting South Dakota for trust situs of foreign grantor trusts.

## Why a Foreign Trust?

- Repatriation to the U.S.
- Reporting protocols
- Taxation
- Foreign born person living in U.S.
- Foreign person with U.S. assets
- Privacy/political corruption concerns

Through appropriate planning and drafting, a South Dakota Foreign Grantor Trust may be established as a “foreign” trust for U.S. tax purposes and therefore treated the same as an offshore trust, while availing itself of powerful U.S. trust laws. Failure of the “Court Test” or “Control Test,” as outlined by the IRS, will result in the trust being treated as a non-U.S. entity and therefore not subjecting it to U.S. Taxation.

Since the trust is considered a South Dakota trust for legal purposes, the state’s industry leading dynasty trust, asset protection, and privacy laws may also be incorporated into the trust.

# Host Services for Trust Companies

Bridgeford Trust Company provides host services for both public and private trust companies (PTCs) that elect to organize in South Dakota because of the state's very sophisticated, progressive, and industry leading modern trust laws. Our services can be tailored to meet specific needs of both private families and public entities. Just a few of our services include:

- Charter application assistance and support with the South Dakota Division of Banking.
- Entity formation.
- Provision of corporate officers.
- Insurance and bonding requirements.
- Financial reporting, including general ledger maintenance.
- Regulatory reporting and compliance support.



# Non-Traditional Assets

We understand that trusts were not created just to hold liquid investible assets. To the contrary, they were created to hold and transfer various property interests in a tax efficient manner while maintaining control over assets for the benefit of beneficiaries. For this reason, trust planning and the ability to work with non-traditional assets in trust is clearly an essential component of overall wealth planning, particularly for affluent and ultra-affluent families.

As an independent trust company with access to one of the most progressive trust jurisdictions in the nation, Bridgeford Trust Company has the ability, desire, and infrastructure to work with non-traditional assets in trusts.

Remaining true to our commitment to serve affluent families with unique wealth planning needs, we will explore holding the following non-traditional assets in trust:

- Real Estate (Commercial and Residential)
- Closely Held Stock
- Partnerships

*"Multi-family offices with independent trust powers are far more flexible with regard to holding non-traditional assets and are both objective and creative in addressing the overall wealth management needs of the affluent."*

# Trust Administration

Bridgeford Trust Company offers full corporate trustee services, diligently and professionally performing all trust administrative functions in accordance with governing documents and prevailing fiduciary standards.

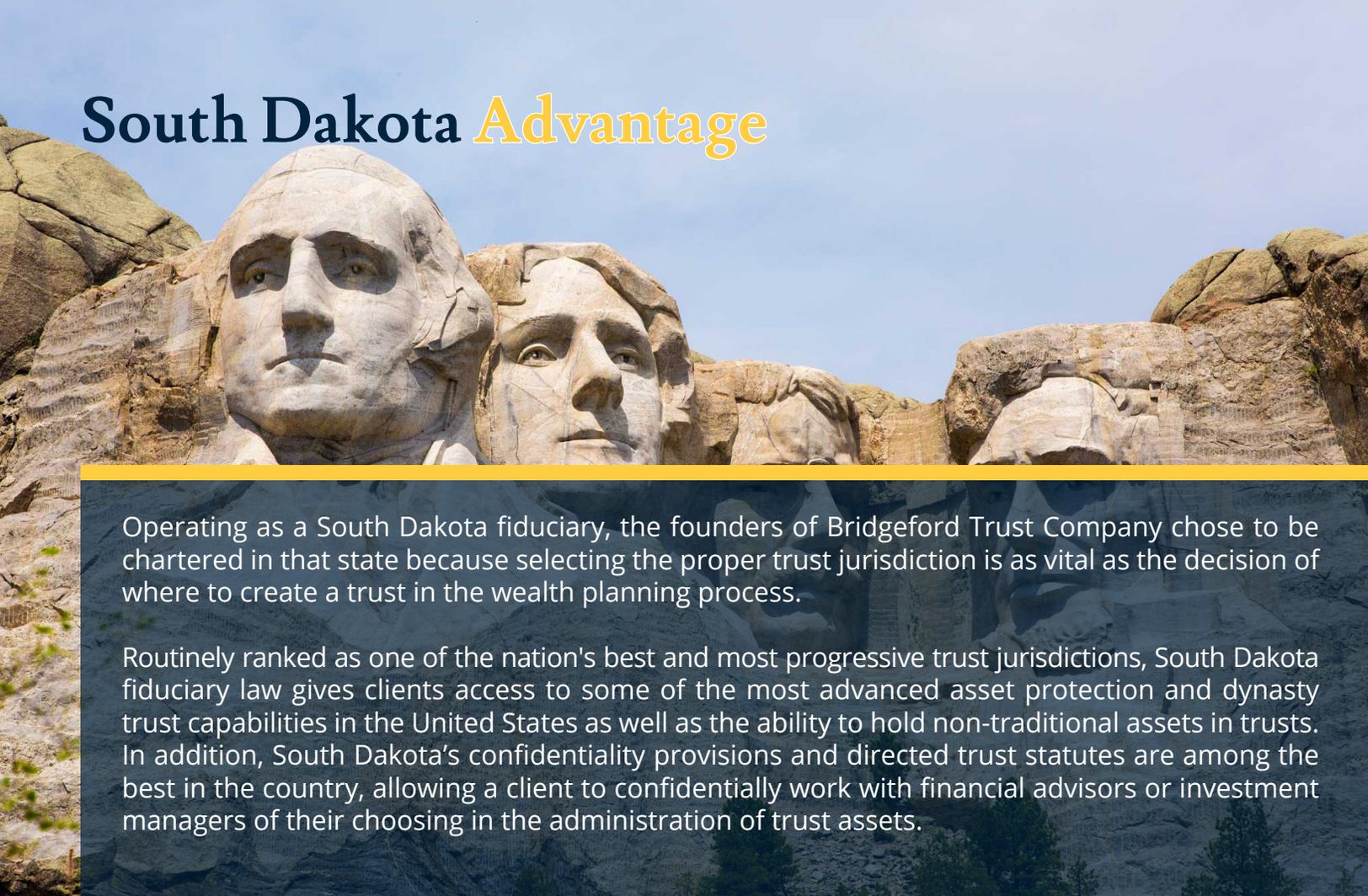
- Recordkeeping and Trust Accounting
- Custodial Services
- Income and/or Principal Distribution
- Non-Traditional Trust Assets (Closely Held Stock, Real Estate, Partnerships)
- Prudent Distribution of Trust Assets to Beneficiaries
- Individual and Fiduciary Tax Returns
- Asset Management



Relying on South Dakota law, we provide a full range of third party fiduciary services, including:

- Directed Trusts
- Business Trusts
- Trust Agency
- Private Label Trust/Fiduciary Services
- Irrevocable Life Insurance Trusts
- Insurance Premium Tax Planning:  
Trusts & LLCs/FLPs

# South Dakota Advantage



Operating as a South Dakota fiduciary, the founders of Bridgeford Trust Company chose to be chartered in that state because selecting the proper trust jurisdiction is as vital as the decision of where to create a trust in the wealth planning process.

Routinely ranked as one of the nation's best and most progressive trust jurisdictions, South Dakota fiduciary law gives clients access to some of the most advanced asset protection and dynasty trust capabilities in the United States as well as the ability to hold non-traditional assets in trusts. In addition, South Dakota's confidentiality provisions and directed trust statutes are among the best in the country, allowing a client to confidentially work with financial advisors or investment managers of their choosing in the administration of trust assets.



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