

Transferring existing trusts to Charles Schwab Trust Company of Delaware as trustee

To transfer existing trusts to Charles Schwab Trust Company of Delaware (“CSTCD”), the following steps must be completed by you and your Schwab service team. Keep in mind that while there is a standard process, each trust is unique and may require additional material to complete the review. As a result, the timescale for the entire process can range from one to three months or longer depending on multiple factors, including:

- The number of beneficiary signatures required
- The location of beneficiaries
- The possibility of local court involvement
- The willingness of current trustee to release the trust assets

→ To help you through this process, each step that requires action is marked with an arrow.

Step 1 → Please complete the Directed Trust Review Request Form and send to CSTCD for review, along with the trust document and complete asset statement, in one of the following ways:

Via email as attached PDFs

shawn.wilson@schwab.com or christopher.mamele@schwab.com

Via mail

Charles Schwab Trust Company of Delaware
4250 Lancaster Pike, Suite 100
Wilmington, DE 19805
Attn: Shawn Wilson or Chris Mamele

Via fax

800-977-8145

To expedite the review process, please make sure to:

- Include all amendments, codicils, and prior court orders
- Identify the current beneficiaries, their ages, and their relationship to the grantor
- Supply a copy of the most recent trust statement so that we can determine that all assets are acceptable

Step 2 CSTCD’s trust counsel will review the trust instrument and determine whether the trust is eligible to be transferred to CSTCD. This review process takes approximately two weeks. The trust team will respond to the investment advisor, outlining the steps required to change trustees.

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- Step 3** → There are generally three or four trustee removal and appointment clauses to transfer a trust to CSTCD. Each requires different steps:
- Adult beneficiaries (or grantors, if living) have the power to remove the current trustee by an instrument in writing and to appoint a successor trustee. The letter for removal must be signed by all parties (or a majority if so stated) that hold the power to remove and appoint. **Note: Sometimes the power is given to a majority of the adult beneficiaries. This means that if there are five adult beneficiaries and three want to move the trust, they can, and only those three signatures are required.**
 - The current trustee has the right to resign at any time, but there is no trustee removal clause in the documents. The adult beneficiaries have the power to appoint a successor trustee only if the current trustee resigns. The letter of appointment must be signed by all parties (or a majority if so stated) that have the power to appoint.
 - There is a trust protector or separately stated individual or committee with the right to remove the current trustee and appoint a successor trustee. The individual(s) stated must sign the letters.
 - There is no removal and appointment of a trustee clause at all. A local attorney should be engaged by the client to determine the most effective way to bring the trust to CSTCD.

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- Step 4** → Notify CSTCD of the client's decision to proceed with the transfer of the trust in order to initiate the trust onboarding process. CSTCD will provide a detailed communication of the next steps to the advisor, including the following forms and requests for information:
- Sample removal and/or appointment provisions
 - Patriot Act/client verification forms for each beneficiary, co-trustee, and grantor, if living
 - Form W-9 or W-8 for each beneficiary
 - Request for trust modification information (see #5)
 - CSTCD's Investment Advisors Roles and Responsibilities Statement for your review and signature
 - Notice of CSTCD's Practice Development Officer review with your firm, which will define how you will be working with CSTCD related to the trust

Step 5 If the Delaware trust administrative provisions are not written into the trust instrument, a modification of the trust agreement may be necessary to add the requisite Delaware trust administrative provisions. Generally, the trust document can be modified by a non-judicial modification agreement to include your investment advisory firm to serve as the investment advisor and any other items that may need to be added to the trust document for CSTCD to serve as trustee (e.g., a trustee fee clause, right to use affiliated products, right for the beneficiaries to hire and fire the corporate trustee, etc.).

This modification agreement is generally prepared by Delaware counsel. CSTCD will provide a list of Delaware attorneys who can facilitate this process. They may charge \$2,500–\$3,500 for one trust, and the fee is generally paid by the trust and charged to trust principal.

Completing the modification agreement

In order to complete the modification agreement, the trust's attorney will need a list of all first-tier remainder beneficiaries and their relationship to the Grantor. Each adult within this group will need to consent to the modification agreement. The trust's attorney will complete the modification agreement and send to the investment advisor (or trust beneficiaries) for signatures of all parties required to sign the modification agreement. Once all signatures are received, the advisor will send the signed documents to CSTCD.

Step 6 Upon receipt of the completed client verification forms and the signed removal and appointment documents, CSTCD will conduct the due diligence and notify you of any discrepancies or issues with the trust beneficiary identity verification.

Step 7 → Once the modification agreement is fully executed and the client verification process is complete, CSTCD will request the investment advisor's formal acceptance and direction regarding the following:

- Selection of a cash sweep investment vehicle
- Trust tax ID
- The most recent trust statement, including tax lot detail

Step 8 CSTCD will open a brokerage account at Schwab Advisor Services™ for the trust and initiate asset transfer. CSTCD will notify you once the account is open and the delivery instructions are in the hands of the current custodian/trustee. CSTCD will then monitor the transfer of assets process, waiting for the current custodian/trustee to release the assets to Schwab.

Step 9 Once the assets are received, the trust beneficiary(s) will receive a communication introducing their trust officer and confirming the applicable fee schedule.

Step 10 The trust officer will conduct a welcome call with the investment advisor to review setup, procedures, service standards, discretionary distribution request procedures, and other topics as necessary.

Administrative Trustee Services are provided by Charles Schwab Trust Company of Delaware ("CSTCD"). CSTCD and Charles Schwab & Co., Inc. are separate but affiliated companies and wholly owned subsidiaries of The Charles Schwab Corporation. Schwab Advisor Services™ is a business segment of Charles Schwab & Co., Inc. serving independent investment advisors. CSTCD serves as the administrative trustee of trusts whose investments are managed by independent investment advisory firms that do business with Schwab Advisor Services and are selected solely by the trust's grantor or beneficiaries to provide investment advisory services for the trust. These advisory firms are not owned by, affiliated with, or supervised by The Charles Schwab Corporation, CSTCD, Charles Schwab & Co., or any of their affiliates or subsidiaries. Schwab Advisor Services and Charles Schwab Trust Company provide custody, securities brokerage, and related back-office services to the trusts for which CSTCD serves as administrative trustee.