



Capital Wealth Advisors
FAMILY TRUST COMPANY, LLC

In 2015, Florida joined a handful of other states in permitting Family Trust Companies (FTCs). This trust planning device allows families to form their own corporate trustee, without being subject to the same regulatory requirements as a public trust company. For families that want to have the consistency and continuity of a corporate trustee, coupled with the flexibility and knowledge of family affairs offered by an individual, an FTC can be a powerful addition to your estate plan.

The creation of the FTC begins with the creation of the underlying business entity. For instance, if the FTC will operate as a limited liability company, it must file Articles of Organization. The Articles of Organization and the entity's Operating Agreement must contain certain provisions, required by the Family Trust Company Act, the essence of which is that the FTC will only provide services to members of your family, and not hold itself out as a public trust company.

Prior to beginning operations, an application must be made to the Florida Office of Financial Regulation (the "OFR"). The OFR will review the Articles of Organization, the Operating Agreement, and certain information about the "designated family member" (that is, you). For an unlicensed FTC (that is, an FTC that will outsource the management of its investments, and not act as its own RIA), there is a nonrefundable application fee of \$5,000. The annual fee to maintain its registration with the OFR is \$750. In addition, the FTC must keep a minimum capital account (at a Florida bank) of \$250,000, consisting only of cash and/or United States Treasury obligations.

Once created and approved, the FTC will be able to provide trust services to members of your family, and can also be run by those individuals. An FTC must have at least three members sitting on its board, and at least one of those members must be a Florida resident. Initially, the board might be composed of you, your spouse, your children, and perhaps one or more trusted advisors (such as your accountant, financial advisor or attorney). In addition to the board of managers, the FTC will also have separate committees, which might consist of different individuals. For example, perhaps the FTC will have an investment committee, a distributions ("trust") committee, a charitable committee and an audit committee. The committees can be a good way to engage your children and grandchildren in decisions involving "family wealth." In your role as a manager, you maintain a high level of control, while at the same time training future generations to eventually take over. As individuals within the FTC come and go (due to retirement, death or otherwise), the FTC itself continues, and the various family trusts will not need to be updated to reflect a change in trustee.



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Sample Structure

