LETTER OF WISHES

[Date]

[Trustee Name]

[Trustee Company]

[Street Address]

[City, Cook Islands]

Re: The [Name] Trust, settled [Date of Trust Deed]

Dear [Trustee Name]:

I am the settlor of the trust named above. I am writing to tell you something about my family and about how I hope you will approach the decisions the trust deed leaves in your hands. Nothing in this letter is an instruction, and I would not want it to be one.

THIS LETTER DOES NOT BIND YOU

This letter is not part of the trust deed and does not amend it. It creates no term of the trust, no duty or obligation of any kind on you, and no interest, right, or expectation in any beneficiary. Nobody can enforce a word of it, including me.

The decisions are yours. You are free to depart from anything I write here, in whole or in part, whenever your own judgment or your duties to the beneficiaries point another way, and you owe no explanation to me or to anyone else when you do. If anything in this letter sits badly with the trust deed or with those duties, the deed and the duties govern and this letter gives way.

That is deliberate. The trust protects my family because I cannot compel you to pay, and a letter that told you what to do would take that protection apart. I would rather you knew what I think and stayed free to set it aside.

MY FAMILY

My spouse is [Name]. Our children are [Name], born [year], and [Name], born [year].

[Name] is [what this beneficiary does, how this beneficiary handles money, and anything about health, work, or marriage that you would want a trustee to know before it weighs a request].

[Name] is [the same, for the next beneficiary].

I would also ask you to keep in mind [anything you would not want a trustee to have to learn from a request letter: a beneficiary who is easily influenced, a child with special needs, a venture the family does not want funded, or an in-law you would not want indirectly enriched].

HOW I HOPE YOU WILL THINK ABOUT DISTRIBUTIONS

I hope you will treat this trust as a long-term resource for the family rather than as a source of regular income. My general feeling is that [your own philosophy: for example, that education and medical needs are met without hesitation, that help with ordinary living costs stays modest and occasional, and that capital is preserved for the generation after my children].

I have deliberately set no amounts and no schedule. A figure that fits this year would be wrong in five years, and a monthly sum tells you nothing about why I wanted the money spent. The reasons matter more, so I have given you the reasons instead.

WHAT I HOPE YOU WILL GIVE WEIGHT TO

Education. Tuition, training, and professional qualifications, for any beneficiary and at any age. This is the request I would most like to see met.

Health and care. Medical treatment, therapy, and long-term care for a beneficiary or for a beneficiary's dependent, including care my family could not otherwise afford.

Housing. Help toward a first home, particularly where a beneficiary has saved toward one. I would rather see the trust hold a home than distribute the purchase price outright.

Work and enterprise. A beneficiary starting a business or entering a profession where a modest amount of capital would make a real difference. I hope you will look at the plan and at the beneficiary before you look at the amount.

Emergencies. Anything sudden and serious. I would not want a beneficiary in a genuine crisis to wait on a quarterly review.

Ordinary living costs. I hope these will be met sparingly. A beneficiary who can work, and who has no reason not to, is better served by earning the money.

PRIORITIES IF THE FUND CANNOT SUPPORT EVERYONE

If the trust is not large enough to meet everything asked of it, I hope you will look first to [the education of my grandchildren and the care of any beneficiary who cannot work], then to [my spouse's living costs], and last to [requests from beneficiaries who have incomes of their own].

LIFE EVENTS

Marriage. I hope trust property will not be put into the joint names of a beneficiary and a spouse, and that what you distribute will stay with the beneficiary.

Divorce. If a beneficiary is divorcing, I hope you will hold back on distributions to that beneficiary until the proceeding has ended.

A beneficiary's own creditors. If a beneficiary is being pursued by a creditor, I hope you will consider paying providers directly rather than putting money into the beneficiary's hands.

Incapacity or addiction. If a beneficiary cannot manage money safely, I hope you will pay providers directly and will not distribute a lump sum, whatever the beneficiary asks for and however good the reason sounds.

Birth of a grandchild. I think of each new grandchild as one of the people I set this trust up for, subject to the trust deed's own definition of who benefits.

IF I AM UNDER LEGAL PRESSURE

I may one day be the subject of a court order, a judgment, or an investigation that touches this trust. If that happens, I hope you will refuse any request I make while it lasts, whether or not the request looks voluntary and whether or not I tell you that it is. Nothing in this letter asks you to comply with me during such a period. I am asking you for the opposite.

I would ask you to go on considering the rest of my family while I am cut off. [My spouse's living costs, my children's education, and my mother's care] will still need meeting, and none of it has anything to do with the claim against me.

AFTER MY DEATH

I hope the trust will continue rather than be wound up. I hope my spouse will be the first call on it for the rest of my spouse's life, and that our children will be considered after that.

I hope a large distribution of capital to a child will wait until the child is about [age], and that until then you will look mainly at education, health, and housing.

I hope you will keep [Name], who serves as protector, informed about the trust, and that [Name] will be a source of information about the family that I would otherwise have supplied myself.

REVIEWING THIS LETTER

I mean to replace this letter whenever something important changes: a marriage, a birth, a death, a divorce, the sale of a business, or a change in what one of the beneficiaries needs. A later letter of wishes from me replaces this one in full.

If years have passed and no later letter has reached you, please read this one as what I thought on the date at the top of it, and give it whatever weight that deserves.

I am grateful for the care you give this. I hope the letter is useful to you, and I hope you will feel free to set it aside whenever the family in front of you needs something different from the family I have described.

Sincerely,

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[Settlor Name], Settlor