



MANUFACTURERS BANK

A MEMBER OF SMBC GROUP

San Bernardino Bar Association
Estate Planning & Probate Section



Suyi Chen

Vice President, Area Manager

Professional Legal & Fiduciary Banking at Manufacturers Bank



Manufacturers Bank has developed a customized banking program to serve the specific needs of Trust & Estate Attorneys and Fiduciaries. Our dedicated expert bankers have experienced tremendous success in supporting and serving the industry. Our goal is to be the bank of choice and we are committed to adding value to the attorney client relationship.

OBJECTIVES



- Address some common banking issues
- Maximize FDIC insurance coverage
- Banking solutions to help ease the administration of trust or estate accounts

Situation



- Court-appointed co-administrator with limited authority for the sale of real estate
- Bonded for \$36,000
- Estate value \$1.326 million
- Court-ordered any funds exceeding the bonded amount to be placed in a blocked account

Common Issues

2 (or more) Signatures Required Account

1. Pros:

- a. Accountability
- b. The Court's order is satisfied
- c. Checks and balances are maintained

2. Cons:

- a. Unavailability/Inaccessibility of both signers
- b. no ATM/Bill payment services
- c. Limited number of banks allow a "2 signatures required" restriction

Specialized Account

Blocked Accounts

1. Attorney submits the MC-356 to Bank
2. Bank signs off and returns MC-356
3. For amounts over \$250k, needs to be placed in a fully-insured FDIC account
4. Liquid accounts vs time-restricted account
5. Do not grant the fiduciary access to the account once the account is unblocked



Specialized Account

Joint Bond Control Agreement/Limited Control Agreement

- Any withdrawal transaction must be completed jointly with fiduciary and a responsible party approved by the Surety
- The responsible party (attorney/paralegal) takes control of the checkbook
- Full access to the account without court intervention up to bond amount



Case study

Two co-administrators appointed and are each represented by their respective attorney. Bonded for \$36,000 with limited authority for the sale of real estate. The total estate value is \$1.325 million; any balances that exceed bonded amount must be placed in a blocked account.

- Co-administrators must act together
- Bonded account for \$36,000
- Assets exceed the maximum FDIC-insured threshold of \$250,000
- A court-blocked account is required

Solution:

- An unblocked checking account for up to \$36,000 with two signatures required
- An ICS Blocked account for \$1,289,000 with two signatures
- Duplicate statements to the co-administrators
- Authorization for both attorneys to obtain account information



SAFETY & SECURITY

Insured Cash Sweep, CDARS & ICS Cash Manager Sweep

- Secures multi-million dollar FDIC protection on Client funds
- Time saver for financial managers: Account Holder, Attorney and Fiduciary
- Choose Demand Deposit, Money Market Accounts or CDs
- One bank, one statement and one 1099

Manufacturers Bank offers this service through an inter-financial agreement with other banks who have met certain requirements to insure deposits, currently up to \$150 million. Limits, terms and conditions apply.

How ICS and CDARS Work




Client deposits funds through a participating ICS or CDARS bank, an ICS or CDARS Network member.¹

Deposits are sent to deposit accounts at other banks in amounts under \$250,000²

¹ Deposits are placed in demand deposit accounts when using the ICS demand option, money market deposit accounts when using the ICS savings option, or CDs when using CDARS.

² Based on triggering events as set forth in the applicable Deposit Placement Agreement the depositor enters into with the depositor's bank. The standard FDIC insurance maximum is \$250,000 per insured capacity, per bank. Deposits are sent to demand deposit accounts with the ICS demand option or money market deposit accounts with the ICS savings option or placed in CDs with CDARS.

Depositor Control Panel

 Depositor Control Panel Bear County Community Bank Customer can check deposit balances SAMPLE CORPORATION LOG OUT

Welcome to the ICS® Depositor Control Panel

Welcome to the Depositor Control Panel for ICS, the Insured Cash Sweep® service. Your funds have been placed by **Bear County Community Bank** through ICS into deposit accounts at depository institutions (each as a Destination Institution) that participate in the service.

Total Principal Balance	Total Accrued Interest
\$92,352,706.85	\$12,174.96
Statements	Where Can My Funds Be Placed?

My Accounts

Print → Export Filter


Account Title	Institution Transaction Account No.	ICS Deposit Option	Program Withdrawals	Rate %	Principal Balance	Accrued Interest
Sample Account Title 1	*****004	Savings	1 of 6	1.60	\$83,352,706.85	\$11,027.21
Sample Account Title 2	*****008	Demand	N/A	1.55	\$9,000,000.00	\$1,147.75

When using the ICS savings option, customer can keep track of monthly program withdrawals.

ICS Statement

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Best Deale Bank
1221 Main Street
Anytown, US 12345



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1.800.123.4567
0000@bestdealebank.com
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Sample School District
426 Main Street
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Date: 10/31/2019
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ICS Monthly Statement

The following information is a summary of activity in your CDF accounts for the month of October 2019 and the list of FDIC-insured institutions that took your deposit as of the date indicated. These deposits have been placed by us, as your agent and custodian, in deposit accounts through the ICS, or Insured Cash Sweep®, service. Funds in your deposit accounts at the FDIC-insured institutions at which your funds have been placed will be "deposits," as defined by federal law.

Custom text may be added here.

Account ID	Deposit Option	Interest Rate	Opening Balance	Ending Balance
*****123	Demand	2.80%	\$1,300,000.25	\$1,300,000.25
*****456	Savings	1.85%	3,078,184.90	3,078,356.70
TOTAL			\$4,434,270.55	\$4,918,725.87

CONTAINS CONFIDENTIAL INFORMATION ICS and Insured Cash Sweep are registered service marks of Prudential Financial Network, LLC. FDIC

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Date: 10/31/2019
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DETAILED ACCOUNT OVERVIEW

Account ID: *****456
Account Title: Sample School District

Account Detail	Date	09/31/2019
Statement Of		
Previous Perio		
Total Program		3 of 4
Total Program		
Interest Capt		
Taxes Withn		
Current Perio		
Page		1 of 4

DETAILED ACCOUNT OVERVIEW

Account ID: *****123
Account Title: Sample School District

Account Detail	Date	10/31/2019
Lockeand Bar		
Southwest Community Bank		
Southwest Regional Bank		
Long Range Bank		
Cebu Bank		
First National Bank		
First Bank of Chi		
Bank of North C		
Copper Savings &		
Signature Nation		
Sperry South Be		
Harbor Bell Bank		
Huntington Bank		
Torrence Bank		
Altam Bank and		
Capital Bank of E		
Niles Bank		
Shenandoah Bank &		
First Bank of Tex		

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Date: 10/31/2019
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DETAILED ACCOUNT OVERVIEW

Account ID: *****123
Account Title: Sample School District

Account Summary - Demand	10/31/10/2019	Average Daily Balance	\$1,379,881.32
Statement Perio		Interest Rate at End of Statement Period	1.10%
Previous Perio	\$1,360,000.25	Statement Period Yield	1.11%
Year Program Deposits	1,641,951.07	YTD Interest Paid	3,648.04
Total Program Withdrawals	(961,511.00)	YTD Taxes Withn	0.00
Interest Capitalized	1,189.35		
Taxes Withn	(0.00)		
Current Period Ending Balance	\$1,840,959.17		

Account Transaction Detail

Date	Activity Type	Amount	Balance
10/01/2019	Deposit	\$1,300.00	\$1,300,270.55
10/01/2019	Withdrawal	(13,923.90)	1,286,346.18
10/01/2019	Withdrawal	(2,846.48)	1,283,500.00
10/04/2019	Withdrawal	(182.96)	1,283,317.04
10/04/2019	Withdrawal	(120,285.46)	1,223,031.58
10/07/2019	Withdrawal	(8,027.80)	1,188,003.18
10/08/2019	Withdrawal	(87,794.90)	1,140,214.27
10/09/2019	Deposit	4,352.66	1,144,566.93
10/10/2019	Withdrawal	(6,132.80)	1,138,434.23
10/11/2019	Withdrawal	(1,908.90)	1,136,525.33
10/14/2019	Withdrawal	(1,957.52)	1,134,567.81
10/15/2019	Deposit	108,188.00	1,242,755.81
10/17/2019	Withdrawal	(83,398.84)	1,259,356.83
10/18/2019	Withdrawal	(183,246.52)	1,076,110.31
10/21/2019	Withdrawal	(9,451.48)	1,066,658.88
10/22/2019	Deposit	\$2,072.38	1,068,731.24
10/23/2019	Deposit	292,484.00	1,361,215.24
10/24/2019	Withdrawal	(27,278.06)	1,333,937.18
10/25/2019	Withdrawal	(3,765.90)	1,330,171.22
10/26/2019	Withdrawal	(3,904.86)	1,326,266.37
10/28/2019	Deposit	644,613.28	1,970,879.65
10/30/2019	Withdrawal	(4,028.33)	1,966,851.32
10/31/2019	Withdrawal	(1,228.70)	1,965,622.62
10/31/2019	Interest Capitalization	1,189.35	1,940,959.17

Summary of Balances as of October 31, 2019

FDIC-insured Institution	City/State	FDIC Call No.	Balance
Insured Savings Bank	Harrodsburg, MO	**001	\$245,215.68
First Eagle Bank	Clematons, WV	**002	124,023.77

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Document Requirements

A. Court Supervised Matters

1. Certified letter
2. Court Order specifying the requirement of a Blocked account (if applicable)
 1. Decedent's estate (Judicial Council form, DE-140): paragraph 5c
 2. Guardianships(Judicial Council Form GC-240): paragraph 10c
 3. Conservatorships (Judicial Council Form GC-340): paragraph 20c
 4. Sale of Real Property (Judicial Council Form De-265/GC-065): paragraph 11c
 5. Minor's Compromise(Judicial Council Form MC-351 or MC-355)
3. Joint Bond Agreement or Limited Joint Control Agreement (if applicable)

B. Tax Identification Number

1. Obtain an EIN for decedent's estate and irrevocable trust
2. Use the SSN of the minor, conservatee or the settlor of a revocable trust

C Trust: current notarized Certification of Trustee

D. Death Certificate in trust and estate matters

E. Fiduciary's Personal Information form



Helpful Tips

- Have client grant your access to Bank account information
- ICS account: multi-million-dollar FDIC-insured accounts
- Request duplicate monthly statements from Bank
- Request copy of forms Bank submitted to court
- Authorization letter for co-administrators to issue checks
- Obtain wire instructions in advance of real estate transaction
- Establish a good working relationship with a trusted banker



Choose the Right Bank

“Big” Bank or Credit Union

- May be inflexible with policies and procedures to meet needs
- Limited knowledge of trust and estates
- Nonlocal legal counsel or lack of contact(s) for timely Bank response
- Automation may limit ability to accommodate manual processing needs for certain transactions

Banks that specialize in Trust and Estate

- Expertise working with court orders and documents
- Subject matter experts
- Simplified account opening procedures
- Accommodation for out-of-state signers
- Multi-million-dollar FDIC insurance coverage



QUESTIONS & ANSWERS



IMB



MANUFACTURERS BANK

A MEMBER OF SMBC GROUP



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Thank you!