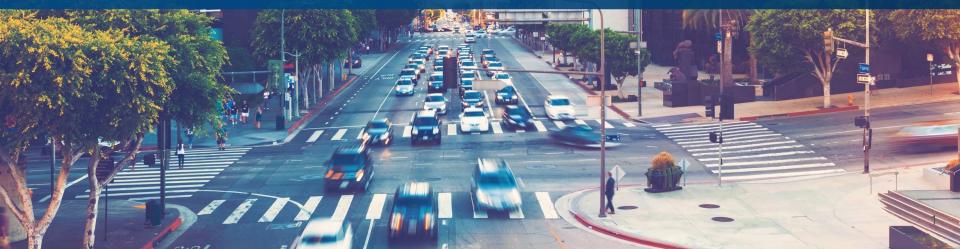




San Bernardino Bar Association Estate Planning & Probate Section



Suyi Chen

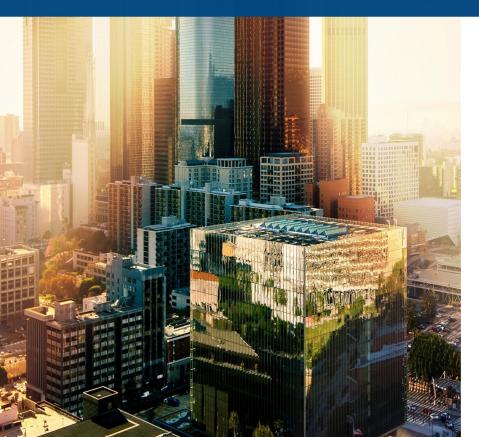
Vice President, Area Manager

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.

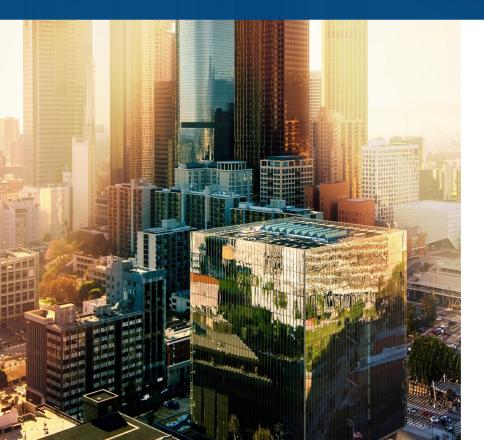
OBJECTIVES



- 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 place 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

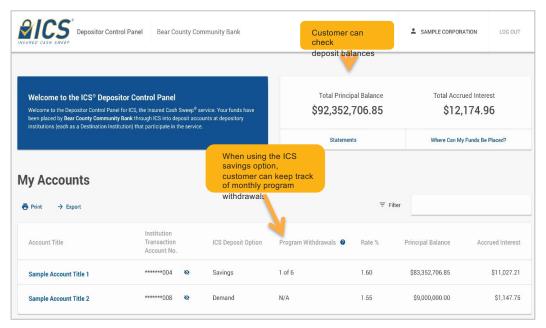


Deposits are sent to deposit accounts at other banks in amounts under \$250,000²

] 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



ICS Statement

Dant Danis Dur		00000	<u> </u>			Page 4 of 4		
Bost Deale Bank 125 Main Street Anytown, US 12345			Deale Bank			DETAILED ACCOUNT OVERVIEW Account ID: ********456 Account Title: Sample School District		
Sample School 456 Main Stree	et		Contact Us 1-555-123-4567 contact@bestdealebank.com www.bestdealebank.com Account Sample School District			Account Sur Statement Per Previous Peri Total Program Total Program Interest Capit Taxes Withhe	Outs 10/51/2019 Pec 3 of 4 DETAILED ACCOUNT OVERVIEW Account (D: ********23	
Anytown, US 56739			Date 10/31/2019 Page 1 of 4	10/31/2019 Pade			Account Title: Sample School District Summary of Balances as of October 31 POC-Issand Institution Lockland Bank Bouthstreet Community Bank Workneets County Bank	
							Southeast Regional Bank Loring Savings Bank	
occurts through the	e ICS, or insured Cash Swi II be "deposits," as define	reep*, service. Punds in your deposi	e been placed by us, as your agent and a accounts at the PDIC-insured institute	eustedian, in deposit Ins at which your funds		Apine National E First Bank of Ogd Bank of North Ha Copper Servings & Seashore Nation		
						Sperry Sound Ba		
						Herbor Bell Bank Huntingfield Ban		
Account ID	Deposit Option	Interest Rate	Opening Balance	Ending Balance		Harbor Bell Bank Huntingfield Ban Torrence Bank		
Summary of ICS / Account ID		Interest Rate 1.10%	\$1,360,088.25 3,074,184.30	\$1,840,169.17 3,078,556.70		Herbor Bell Bank Huntingfield Ban Torrence Bank Amsel Bank and Capital Bank of S		
Account ID	Deposit Option Demand	1.10%	\$1,360,088.25	\$1,840,189.17		Harbor Bell Bank Huntingfield Ban Torrence Bank Amsel Bank and	5	
Account ID	Deposit Option Demand	1.10%	\$1,360,088.25 3,074,184.30	\$1,840,169.17 3,078,556.70		Harbor Bell Bank Huntingfield Ban Torrence Bank Amsel Bank and Capital Bank of S Niles Bank Rhinefield Bank (9	
Account ID *********123 *********458	Deposit Option Demand	1.10%	\$1,360,088.25 3,074,184.30	\$1,840,169.17 3,078,556.70		Harbor Dell Bank Hurrichgfeld Ban Torreco: Bank Amoel Bank and Cepital Bank of S Naks Bank Rhinefield Bank (Frinst Bank of Tok	5	

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4 of 4	_				
Account ID:	OUNT OVERVIEW	Date 10/31/2019 Fage 2 of 4	٥	0000	
Account Title:	Sample School District				
Account Sur	Data	DETAILED ACCOUNT OV	ERVIEW		
Statement Pa	10/51/2019	Account ID: Account Title: Sample S	**123 shard District		
Previous Peri	Pade 3 of 4	Account rise. Sumple a			
Total Program		Account Summary - De	mend		
Total Program		Statement Period	10/1-10/31/201	9 Average Daily Balance	\$1,276,883.4
Interest Capit	DETAILED ACCOUNT OVERVIEW	Previous Period Ending 84			1.109
Taxes Withhe	Account ID: ********123	Total Program Deposits	1,041,901.0		1.119
	Account Title: Sample School District	Total Program Withchawa			3,949.0
Current Perio	Summary of Balances as of October 31, 2019	Interest Capitalized	1.193.3		0.0
Account Transe	FOIC insured institution	Taxos Withhold	(0.0)	2)	
Date	Lookland Bank	Current Period Ending Ba	lance \$1,840,169,1		
10/01/2019	Southstreet Community Bank	ourse raise bring as	41,010,100.1		
10/31/2019	Winchester County Bank	Account Transaction Deta			
10,01,1010	Southeast Regional Bank	Date	Activity Type	Amount	Bal
Summary of Be	Loring Savings Bank Califys Bank	10/01/2019	Deposit	\$196.85	\$1,360,27
FDIC-Insured Inst	Calera Bank Pott Addison Renk	10/01/2019	Withdrawal	(13,923.92)	1,346,34
Alpine National B	Port Addition being	10/02/2019 10/03/2019	Withdrawal	(2,846.18) (182.95)	1,343,50
First Bank of Ogd		10/03/2019	Withdrawal	(182.96) (120,283.16)	1,343,32
Bank of North Ha		10/07/2019	Withdrawal	(35,027,69)	1,188,00
Copper Sevings a		10/08/2019	Withdrawal	(47,794.92)	1,140,21
Seashore Nation		10/09/2019	Decost	4,305.50	1 144.50
Sperry Sound Ba		10/10/2019	Withdrawal	(6,132,60)	1.158.43
Harbor Bell Bank		10/11/2019	Withdrawal	(3,593.04)	1.134,84
Huntingfield Ban		10/15/2019	Withdrawal	(4,957.52)	1.150.49
Torrence Bank		10/16/2019	Deposit	198,195.00	1.329.48
Amsel Benk end		10/17/2019 10/18/2019	Withdrawal	(33,296.84) (153,246.52)	1,296,38
Capital Bank of S		10/21/2019	Withdrawal	(103,240.52) (96,453,45)	1.142.13
Niles Bank		10/22/2019	Deposit	52,072,38	1.097.75
Rhinefield Bank a		10/23/2019	Decost	242.458.00	1 340 21
First Bank of Tibe		10/24/2019	Withdrawal	(27,276.08)	1,312,93
THE DEFINITION		10/25/2019	Withdrawal	(3,369.96)	1,309,56
		10/28/2019	Withdrawal	(9,963.65)	1,299,60
		10/29/2019	Deposit	544,633.28	1,844,23
		10/30/2019 10/31/2019	Withdrawal	(4,029.33) (1,233.70)	1.840.20
		10/31/2019	Interest Capitalization	1,193,35	1.840.10
				1,100.00	2,040,200
		Summary of Balances as	of October 31, 2019		
		FDIC-Insured Institution		State FDIC Cert No.	8ak \$245.21
				tatown, MD **001	
		Innerst Savings Banks First Eagleville Bank		keburg WV **002	1240.21

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





Suyi Chen

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Thank you!

Madeline Wilson

VP, Relationship Officer Office: (626) 839-0335 Cell/Text: (909)-638-7333 mwilson@manubank.com Richard Soto VP, Relationship Manager Office: (626) 839-0598 Cell/Text: (213)-309-6314 <u>rsoto@manubank.com</u>