

[Form Approved: OMB No. 3209-0007]

OFFICE OF GOVERNMENT ETHICS

Model Qualified Blind Trust Provisions

The model qualified blind trust agreement contained in this memorandum is made available by the Office of Government Ethics to attorneys for their use in drafting proposed trust agreements to be submitted for certification pursuant to section 102(f)(3) of the Ethics in Government Act of 1978 (Pub. L. 95-521, as amended) and 5 C.F.R. Part 2634(D). Under the statutory scheme, a trust agreement is not permitted to be recognized as creating an efficacious blind trust arrangement for any purpose under Federal law unless it had been certified by the Office prior to its execution. Proposed trust drafts submitted to the Office for consideration must adhere to the language of the model except to the extent, as agreed to by the Office of Government Ethics, that variations are required by the unusual circumstances of a particular case. The certificates of fiduciaries must be executed in the exact form indicated.

It is strongly recommended in any case in which the use of a blind trust is contemplated that the Office be consulted as early as possible. Prospective trustees or their representatives

should schedule an appointment with the staff of the Office of Government Ethics for an orientation to the specialized procedures and requirements which have been established by law with respect to blind trust administration prior to the certification of the trust. As a condition of approval by the Office, prospective trustees must exhibit a familiarity with and commitment to the specialized nature of blind trust administration.

For further information, contact the Office of Government Ethics directly: telephone 202-208-8000, fax 202-208-8037.

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3

TRUST AGREEMENT

4

5 THIS TRUST AGREEMENT is made and entered into this _____
6 day of _____, _____, between _____
7 whose mailing address is _____,
8 hereinafter called the Settlor, and _____
9 [**financial institution**], whose business address is
10 _____, hereinafter called the Trustee.

11

12

WITNESSETH

13

14 SETTLOR has been appointed by the _____ to the
15 position of _____ of the _____
16 [**department or agency**], with respect to which appointment the
17 _____ has given its advice and consent. To avoid any
18 conflict of interest, or appearance of any such conflict, which
19 may arise from his duties and powers in such office and any other
20 office to which he may subsequently be appointed to the extent
21 provided for by section 102(f)(4)(A) of the Ethics in Government
22 Act of 1978 (Pub. L. 95-521, as amended) [hereinafter referred to
23 as the "Act"], Settlor hereby creates a trust which shall become
24 effective on the date this agreement bears.

25

1 The Trustee is an eligible entity as specified in paragraph
2 (a)(2) of 5 C.F.R. §2634.406, which meets the requirements of
3 paragraph (a)(3) of that section. The existence of any other
4 banking or client relationship between any interested party and
5 the Trustee is disclosed in annexed Schedule A, and no other such
6 relationship shall be instituted without the prior written
7 approval of the Director of the Office of Government Ethics.

8
9 Settlor, therefore, hereby delivers to the Trustee, and the
10 Trustee hereby acknowledges receipt of, the property listed in
11 annexed Schedule B, subject to the provisions of this Trust and
12 the Act, and regulations promulgated thereunder, and other
13 applicable Federal laws, Executive orders, and regulations.

14
15 The primary purpose of this Trust is to confer on the
16 Trustee the sole responsibility to administer the trust and to
17 manage trust assets without the participation by, or the
18 knowledge of, any interested party. This includes the duty to
19 decide when and to what extent the original assets are to be sold
20 or disposed of and in what investments the proceeds of sale are
21 to be reinvested. Accordingly, the Settlor and the Trustee agree
22 as follows:

23
24 FIRST: (A) This Trust shall terminate upon the first to occur
25 of the following -- (1) Settlor's ceasing for any reason to
26 serve as _____ and in any other position to which he

1 may have been subsequently appointed in the Federal Government
2 and Settlor thereafter giving Trustee written notice directing
3 that this Trust be terminated; or (2) Settlor's death or
4 incompetence. The period between the date of this agreement and
5 the termination of the Trust shall be called the "Trust Term".

6
7 (B) Notwithstanding Paragraph (A) of this Article
8 FIRST, this Trust agreement may in addition be terminated through
9 revocation. However, such revocation or any amendment of the
10 terms of this Trust agreement shall require the prior written
11 approval of the Director of the Office of Government Ethics, upon
12 a showing of necessity and appropriateness.

13
14 SECOND: The Trustee in the exercise of its authority and
15 discretion to manage and control the assets of this Trust shall
16 not consult or notify any interested party.

17
18 THIRD: (A) None of the assets initially placed in Trust
19 hereunder, as listed in annexed Schedule B, is prohibited as a
20 holding by any interested party by the Act and regulations
21 promulgated thereunder, and other applicable Federal laws,
22 Executive orders, and regulations.

23
24 (B) Each asset listed in annexed Schedule B is free of
25 any restriction with respect to its transfer or sale, except as
26 fully described in such Schedule B.

1 (C) During the Trust Term, the interested parties
2 shall not pledge, mortgage, or otherwise encumber their interests
3 in the property held in trust hereunder.

4
5 FOURTH: The Trustee shall not knowingly or negligently disclose
6 to the public or to any interested party any information as to
7 the acquisition, retention, or disposition of any particular
8 securities or other Trust property; except that, the Trustee
9 shall promptly notify the Settlor and the Director of the Office
10 of Government Ethics when the holdings of any particular asset
11 transferred to the Trust by any interested party have been
12 completely disposed of or when the value of that asset becomes
13 less than \$1,000.

14
15 FIFTH: The income tax return of the Trust shall be prepared by
16 the Trustee or his delegate, and such return and any information
17 relating thereto (other than the Trust income summarized in
18 appropriate categories necessary to complete an interested
19 party's tax return), shall not be disclosed publicly or to any
20 interested party. To effectuate the provisions of this Article
21 FIFTH, the Trustee shall use its best efforts to provide the
22 interested party, promptly after the close of each taxable year
23 of the Trust during the Trust Term, with that information
24 concerning the Trust, including information on income, expenses,
25 capital gains and capital losses, which is necessary for the
26 interested party to prepare and file tax returns required by the

1 laws of the United States and the laws of any State, district or
2 political subdivision; provided however, that in no event shall
3 the Trustee disclose publicly or to any interested party any
4 information whatsoever which might identify the securities or
5 other property which comprise the assets of the Trust or identify
6 the securities or other property which have been sold from the
7 assets of the Trust.

8
9 SIXTH: An interested party shall not receive any report on the
10 holdings and sources of income of the Trust; except that the
11 Trustee shall --

12
13 (A) Make quarterly reports of the aggregate market
14 value of the assets representing such interested party's interest
15 in the Trust,

16
17 (B) Report the net income or loss of the Trust and
18 make other reports necessary to enable the interested party to
19 complete an individual tax return required by law (in accordance
20 with Article FIFTH of this Trust), and

21
22 (C) Provide an annual report for purposes of section
23 102(a)(1) of the Act of the aggregate amount of the Trust's
24 income attributable to the beneficial interest in the Trust of
25 such interested party, categorized in accordance with the
26 provisions of such section.

1 A copy of each written communication under this Article SIXTH
2 shall be filed by the Trustee with the Director, Office of
3 Government Ethics, within five days of the date of the
4 communication.

5
6 SEVENTH: There shall be no direct or indirect communication
7 between an interested party and the Trustee with respect to the
8 Trust unless the communication is in writing and has the prior
9 written approval of the Director, Office of Government Ethics,
10 and unless it relates only --

11
12 (A) To a request for a distribution in cash or other
13 unspecified assets of the trust,

14
15 (B) To the general financial interest and needs of the
16 interested party (including, but not limited to, a preference for
17 current income or long-term appreciation),

18
19 (C) To the notification of the Trustee of a law,
20 Executive order, or regulation subsequently applicable to the
21 reporting individual which prohibits the interested party from
22 holding an asset, which notification directs that the asset not
23 be held by the Trust, or

24
25 (D) To directions to the Trustee to sell all of an
26 asset initially placed in the Trust by an interested party which

1 in the determination of the Settlor creates a conflict of
2 interest or the appearance thereof due to the subsequent
3 assumption of duties by the Settlor (but any such direction is
4 not required).

5
6 A copy of each written communication under this Article SEVENTH
7 shall be filed by the person initiating the communication with
8 the Director, Office of Government Ethics, within five days of
9 the date of the communication.

10
11 EIGHTH: The interested parties shall not take any action to
12 obtain, and shall take appropriate action to avoid receiving,
13 information with respect to the holdings of, and the sources of
14 income of, the Trust, including obtaining a copy of any Trust
15 tax return filed by the Trustee or any information relating
16 thereto, except for the reports and information specified in
17 Article SIXTH of this Trust.

18
19 NINTH: The Trustee shall file with the Director, Office of
20 Government Ethics, by the May 15th after any calendar year during
21 which the Trust was in existence a properly executed Certificate
22 of Compliance in the form prescribed in Appendix B to 5 C.F.R.
23 Part 2634. In addition, the Trustee shall maintain and make
24 available for inspection by the Office of Government Ethics, as
25 it may from time to time direct, the Trust's books of account and

1 other records and copies of the Trust's tax returns for each
2 taxable year of the Trust.

3
4 TENTH: The Trustee shall not knowingly or negligently --

5
6 (A) Disclose any information to any interested party
7 with respect to this Trust that may not be disclosed pursuant to
8 any provision or requirement of Title I of the Act (and the
9 regulations thereunder) or this Trust,

10
11 (B) Acquire any holding the ownership of which is
12 prohibited by, or not in accordance with the terms of, this
13 Trust,

14
15 (C) Solicit advice from any interested party with
16 respect to this Trust, which solicitation is prohibited by any
17 provision or requirement of Title I of the Act (and the
18 regulations thereunder) or this Trust, or

19
20 (D) Fail to file any document required by Title I of
21 the Act (and the regulations thereunder).

22
23 ELEVENTH: The Settlor shall not knowingly or negligently --

24
25 (A) Solicit or receive any information with respect to
26 this Trust that may not be disclosed pursuant to any provision or

1 requirement of Title I of the Act (and the regulations
2 thereunder) or this Trust, or

3
4 (B) Fail to file any document required by Title I of
5 the Act (and the regulations thereunder).

6
7 TWELFTH **[Optional provision]**: Subject to such amounts as the
8 Trustee may from time to time reserve for the payment of such
9 income taxes as may be due and payable by the Trust, and for
10 payment of expenses and compensation as provided for in this
11 Trust, during the Trust Term the Trustee shall pay to the Settlor
12 \$_____ at the beginning of each month.

13
14 THIRTEENTH: In addition to the rights, duties, and powers
15 conferred upon the Trustee by law, the Trustee shall have the
16 following powers, rights, and discretion with respect to any
17 Trust property held by it:

18
19 (A) To sell, exchange, or otherwise dispose of the
20 property in such manner and upon such terms as the Trustee in its
21 sole discretion shall deem appropriate;

22
23 (B) Except as limited by specific enumeration in this
24 Trust agreement, to invest and reinvest the principal and any
25 undistributed income, in property of any kind;

1 (C) Except as limited by specific enumeration in this
2 Trust agreement, to participate in any reorganization,
3 consolidation, merger, or dissolution of any corporation having
4 stocks, bonds or other securities which may be held at any time,
5 to receive and hold any property which may be allocated or
6 distributed to it by reason of participation in any such
7 reorganization, consolidation, merger, or dissolution;

8
9 (D) To exercise all conversion, subscription, voting,
10 and other rights of whatsoever nature pertaining to any such
11 property and to grant proxies, discretionary, or otherwise, with
12 respect thereto;

13
14 (E) To elect, appoint, and remove directors of any
15 corporation, the stock of which shall constitute Trust property,
16 and to act through its nominee as a director or officer of any
17 such corporation;

18
19 (F) Except as limited by specific enumeration in this
20 Trust agreement, to manage, control, operate, convert, reconvert,
21 invest, reinvest, sell, exchange, lease, mortgage, grant a
22 security interest in, pledge, pool, or otherwise encumber and
23 deal with the property of this Trust, for Trust purposes and in
24 behalf of the Trust to the same extent and with the same powers
25 that any individual would have with respect to his own property
26 and funds;

1 (G) Except as limited by specific enumeration in this
2 Trust agreement, to borrow money from any person or corporation
3 (including the Trustee hereunder) and for the purpose of securing
4 the payment thereof, to pledge, mortgage, or otherwise encumber
5 any and all such property for Trust purposes upon such terms,
6 covenants, and conditions as it may deem proper and also to
7 extend the time of payment of any loans or encumbrances which at
8 any time may be encumbrances on any such property irrespective of
9 by whom the same were made or where the obligations may or should
10 ultimately be borne on such terms, covenants, and conditions as
11 it may deem proper;

12
13 (H) To register any property belonging to the Trust in
14 the name of its nominee, or to hold the same unregistered, or in
15 such form that title shall pass by delivery;

16
17 (I) To abandon, settle, compromise, extend, renew,
18 modify, adjust, or submit to arbitration in whole or in part and
19 without the order or decree of any court any and all claims
20 whether such claims shall increase or decrease the assets held
21 under this Trust agreement;

22
23 (J) To determine whether or to what extent receipts
24 should be deemed income or principal, whether or to what extent
25 expenditures should be charged against principal or income, and
26 what other adjustments should be made between principal and

1 income, provided that such adjustments shall not conflict with
2 well-settled rules for the determination of principal and income
3 adjustments, or the Uniform Principal and Income Act, if in
4 effect in the State of _____;

5
6 (K) To determine whether or not to amortize bonds
7 purchased at a premium;

8
9 (L) Except to the extent otherwise expressly provided
10 in this Trust agreement, to make distributions in kind or in cash
11 or partly in each and for such purposes to fix, insofar as
12 legally permissible, the value of any property;

13
14 (M) To pay such persons employed by the Trustee to
15 assist it in the administration of the Trust, including
16 investment counsel, accountants, and those engaged for assistance
17 in preparation of tax returns, such sums as the Trustee deems to
18 be reasonable compensation for the services rendered by such
19 persons. Such persons may rely upon and execute the written
20 instructions of the Trustee, and shall not be obliged to inquire
21 into the propriety thereof;

22
23 (N) No person may be employed or consulted by the
24 Trustee to assist it in any capacity in the administration of the
25 Trust or the management and control of Trust assets, including
26 investment counsel, investment advisers, accountants, and those

1 engaged for assistance in preparation of tax returns, unless the
2 following four conditions are met --

3
4 (1) when an interested party learns about such
5 employment or consultation, the person must sign the Trust
6 instrument as a party, subject to the prior approval of the
7 Director of the Office of Government Ethics,

8
9 (2) under all the facts and circumstances, the person
10 is determined pursuant to the requirements for eligible entities
11 under 5 C.F.R. §2634.406(a)(3) to be independent of any
12 interested party with respect to the trust arrangement,

13
14 (3) the person is instructed by the Trustee to make no
15 disclosure publicly or to any interested party which might
16 specifically identify current Trust assets or those assets which
17 have been sold or disposed of from Trust holdings, and

18
19 (4) the person is instructed by the Trustee to have no
20 direct communication with any interested party, and that any
21 indirect communication with an interested party shall be made
22 only through the Trustee pursuant to Article SEVENTH of this
23 Trust;

24
25 (0) Except as specifically limited in this Trust
26 agreement, to do all such acts, take all such proceedings, and

1 exercise all such rights and privileges, although not otherwise
2 specifically mentioned in this Article THIRTEENTH, with relation
3 to any such property, as if the Trustee were the absolute owner
4 thereof, and in connection therewith to make, execute, and
5 deliver any instruments and to enter into any covenants or
6 agreements binding the Trust.

7
8 FOURTEENTH: Notwithstanding the provisions of Article
9 THIRTEENTH of this Trust, the Trustee shall not acquire by
10 purchase, grant, gift, exercise of option, or otherwise, without
11 the prior written approval of the Director of the Office of
12 Government Ethics, any securities, cash, or other property in
13 addition to that listed in the annexed Schedule B, from any
14 interested party.

15
16 FIFTEENTH: The Trustee shall not at any time be held liable
17 for any action taken or not taken or for any loss or depreciation
18 of the value of any property held in the Trust whether due to an
19 error of judgment or otherwise where the Trustee has exercised
20 good faith and ordinary diligence in the exercise of its duties
21 such as would have been exercised by a prudent man.

22
23 SIXTEENTH: No Trustee hereunder shall be required, in any
24 jurisdiction, to furnish any bond or other security, or to obtain
25 the approval of any court before applying, distributing, selling,
26 or otherwise dealing with property.

1 SEVENTEENTH: Except as provided in Article SIXTH of this Trust,
2 the Trustee shall make no accounting to the Settlor until the
3 date of termination of this Trust, and, at such time, it shall be
4 required to make full and proper accounting and turn over to the
5 Settlor all assets of the Trust then held by it the said Trustee.

6
7 EIGHTEENTH: The Trustee shall be compensated in accordance
8 with the table in the annexed Schedule C, or as provided for by
9 the laws of the State of _____.

10
11 NINETEENTH: The Trustee (and any substitute or successor)
12 shall have the right, by a duly acknowledged instrument delivered
13 to the Settlor to resign as Trustee in which event the Settlor
14 shall designate and appoint a substitute or successor Trustee
15 (subject to the prior written approval of the Director, Office of
16 Government Ethics) in its place and stead, which shall have all
17 of the rights, powers, discretions, and duties conferred or
18 imposed hereunder upon the original Trustee.

19
20 TWENTIETH: Any amendment of the terms of this Trust Agreement,
21 including the appointment of a substitute or successor Trustee,
22 shall require the prior written approval of the Director of the
23 Office of Government Ethics, upon a showing of necessity and
24 appropriateness. Any such substitute or successor Trustee shall
25 have all of the rights, powers, discretions, and duties conferred
26 or imposed hereunder upon the original Trustee.

1 The term "interested party" as used in this Trust means
2 the Settlor, his spouse, any minor or dependent child, and their
3 representatives.

4

Dated this _____ day of _____, ____.

The above Trust is accepted this _____ day of _____,
_____.

By:

(title)

Privacy Act Statement

Section 102(f) of the Ethics in Government Act of 1978 as amended (the "Ethics Act"), 5 U.S.C. Appendix, § 102(f), and subpart D of 5 CFR part 2634 of the regulations of the Office of Government Ethics (OGE) require the reporting of this information for the administration of qualified trusts under the Ethics Act. The primary use of the information on the trust instrument prepared based in part upon this model draft document is for review by Government officials of OGE and the agency of the Government employee for whom the trust is being established to determine compliance with applicable Federal laws and regulations as regards qualified trusts. Additional disclosures of the information in the trust document itself may be made: (1) to any requesting person in accordance with the access provisions of section 105 of the Ethics Act (underlying trust information is not generally available under this routine use, except for the list of assets initially placed in trust and statutorily mandated notifications by the trustee of divestitures of initially transferred assets to below \$1,000 in value in the case of a qualified blind trust); (2) to a Federal, State or local law enforcement agency if the disclosing agency becomes aware of a violation or potential violation of law or regulation; (3) to a court or party in a court or Federal administrative proceeding if the Government is a party or in order to comply with a judge-issued subpoena; (4) to a source when necessary to obtain information relevant to a conflict of interest issue; (5) to the National Archives and Records Administration or the General Services Administration in records management inspections; (6) to the Office of Management and Budget during legislative coordination on private relief legislation; and (7) in response to a discovery request or for the appearance of a witness in a pending judicial or administrative proceeding, if the information is relevant to the subject matter. Knowing or willful falsification of information on the trust document prepared from this model draft or failure to file or report information required to be reported under title I of the Ethics Act and 5 CFR part 2634 of the OGE regulations may lead to disqualification as a trustee or other fiduciary as well as possible disqualification of the underlying trust itself. Knowing and willful falsification of information required under the Ethics Act and the regulations may also subject you to criminal prosecution.

Public Burden Information and Paperwork Reduction Act Statement

This collection of information is estimated to take an average of one hundred hours per response, given the estimated amount of time deemed necessary to structure an actual trust arrangement based in part on this model draft. You can send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for

reducing this burden, to: Deputy Director for Office of Administration and Information Management, U.S. Office of Government Ethics, Suite 500, 1201 New York Avenue, NW., Washington, DC 20005-3917. Do not send your completed trust document to this address; rather, see the remainder of the instructions to this model draft.

Pursuant to the Paperwork Reduction Act, as amended, an agency may not conduct or sponsor, and no person is required to respond to, a collection of information unless it displays a currently valid OMB control number (that number, 3209-0007, is displayed here and in the upper left-hand corner of the first page of this OGE model qualified trust draft document).