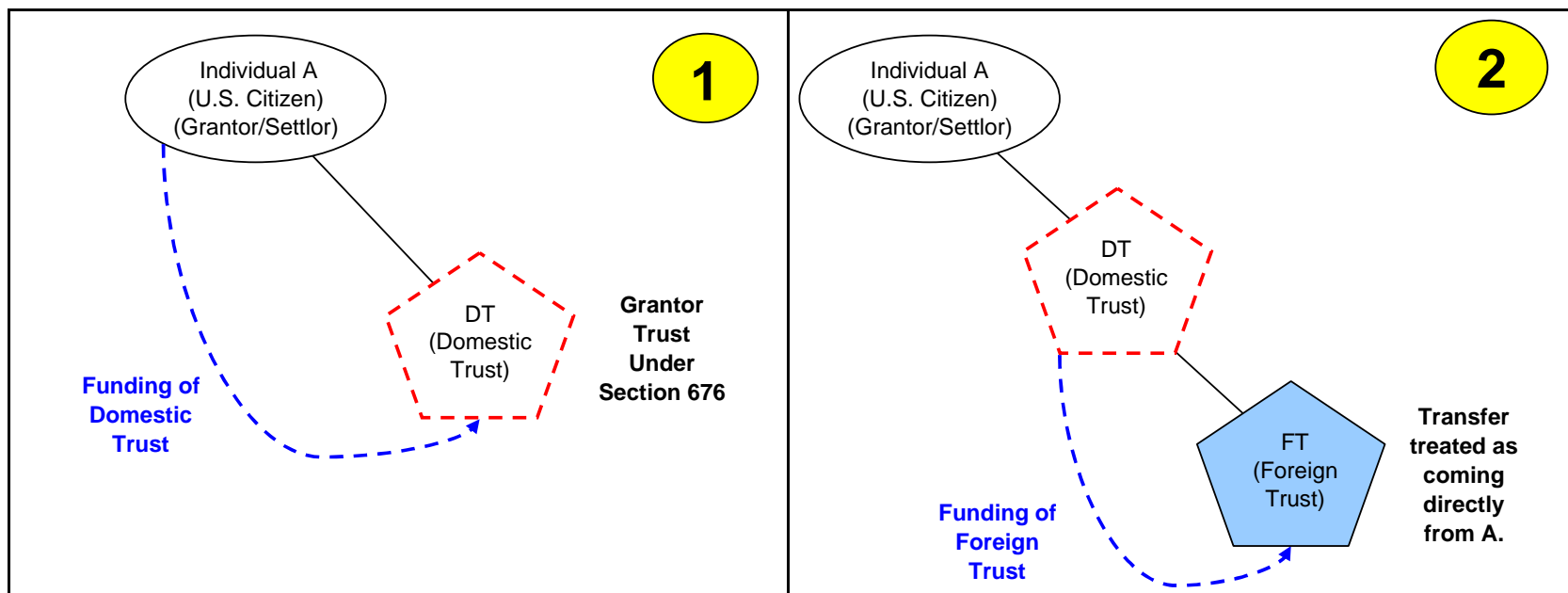


**Domestic Grantor Trust
Transfer to Foreign Trust**

Transfer to Domestic Trust (2001)

Transfer to Foreign Trust (2004)



In 2001, A, a U.S. citizen, creates and funds DT, a domestic trust. A has the power to revest absolutely in himself the title to the property in DT and is treated as the owner of DT pursuant to section 676. In 2004, DT transfers property to FT, a foreign trust. A is treated as having transferred the property to FT in 2004 for purposes of section 679.

Pentagon represents a trust. A red, dashed border of a pentagon indicates that the trust is treated as a "grantor trust" (i.e., the grantor is treated as the owner under sections 671-679).