



THE TUNICA-BILOXI TRIBE OF LOUISIANA
MINORS TRUST
PROGRAM GUIDELINES



PROVIDENCE FIRST
TRUST COMPANY

April 2021

INTRODUCTION

The Tunica-Biloxi Indian Tribe of Louisiana (or “Tribe”) receives revenue from its gaming operations. The Tribal Council adopted a resolution for a Revenue Distribution Plan, directing a portion of gaming operation revenue to be made to all eligible tribal members as per capita payments. The Indian Gaming Regulatory Act, 1988 (“IGRA”), states that the purpose of these per capita payments is to advance the personal health, education, and welfare of tribal members. Per capita payments are not paid directly to minors. Instead, such per capita payments are paid into a trust which is held for the benefit of the minors. To safeguard the children’s money, the Tribal Council approved the Third Amended and Restated Irrevocable Inter Vivos Trusts for the Benefit of the Minors of the Tunica-Biloxi Indian Tribe of Louisiana (the “Trust”), as amended, April 22, 2021.

In January 2016, the Tribe appointed Providence First Trust Company (“PFTC”) to act as Primary Trust Advisor, and for Morgan Stanley to act as investment manager for the assets of the Trust. This brochure provides an overview of the administration of your children’s trusts.

TRUST BASICS

In this trust agreement, there are four parties:

- ✦ The grantor/trustee/settlor is the party who creates the trust and places the assets or money into the trust. In this particular case, the Tunica-Biloxi Indian Tribe of Louisiana is the grantor/trustee/settlor.
- ✦ The primary trust advisor protects, distributes, and administers the assets for the benefit of the beneficiaries under the terms of the trust agreement. Providence First Trust Company is the primary trust advisor.
- ✦ The investment manager invests the trust assets according to the trust agreement and investment policy so that the assets grow. Morgan Stanley is the investment manager.
- ✦ The beneficiaries are the individuals for whom the assets are held until they reach certain criteria established by the governing documents of the trust. When these criteria are met, the beneficiaries may receive their trust share. Tribal parents/legal guardians of tribal minors/incompetent adult beneficiaries of the trust program are the points of contact for program reporting for financial and operational purposes.

At the age of 18, the beneficiary becomes the point of contact. A parent/guardian who wishes to designate a non-tribal parent or legal guardian as the official point of contact for any information regarding a minor or adult legal incompetent in the Minors Trust program may do so by completing a Power of Attorney form specifically developed for this purpose and available from the Minors Trust office.

WHEN IS A CHILD’S TRUST DISTRIBUTED?

According to the Third Amended and Restated Master Trust Document, a beneficiary’s trust funds are distributed when they reach age 21. Valuing education is of utmost concern to the Tribe. Therefore, in order to incentivize the importance of education, a beneficiary may receive a portion/portions of his or her trust funds earlier if he or she obtains a high school diploma or G.E.D. in the following amounts at the following ages

- At age 18, 25% of the trust balance,
- At age 19, 25% of the trust balance,
- At age 20, 25% of the trust balance, and
- At age 21, the remaining trust balance.

The beneficiary will be required to meet with a financial advisor at 18 before receiving her/his first lump sum distribution. In order to receive the final distribution at Age 21, the beneficiary must have completed the semi-annual financial education seminars conducted by the Tribe's Trust office.

Trust beneficiaries will be introduced to a variety of financial planning concepts, case studies, practical exercises, etc., that will aid in the acquisition of responsible money management principles & skills. The goal of this educational phase of the program starting at age 16 until the time of closure at 21, is to have the member apply what has been learned in her/his real-life settings as they take possession of their trust assets.

At these ages of 18, 19, and 20, the beneficiary will need to fill out an "Adult Payment Form" to request an annual payment and to select the method by which they wish to receive the payment (e.g., by check or by direct deposit). Also, to prevent fraud, the beneficiary will need to attach a copy of their CDIB card or Driver's License, and their address must match the address on file with the Tribe's Enrollment Department.

When a beneficiary receives his/her trust funds at ages 18 through 21, and if they are interested in continuing to have their funds invested, they may contact Providence First Trust Company to discuss different investment account options. At age 21 the adult member beneficiary can receive assistance in opening his/her own personal investment account with its own investment objective.

EARLY DISCRETIONARY DISTRIBUTIONS

Money in the child's trust is not intended to be used to cover household expenses that are the legal responsibility of a child's parent(s) or guardian(s). The Indian Gaming Regulatory Act, 1988, obligates any tribe that makes per capita payments to its minor members to take steps to protect and preserve those assets. This is an obligation dictated and governed by federal law.

Money deposited in a beneficiary's trust account should only be used for extraordinary expenses that promote the health of your child, if necessary. Requests for early distribution of money in your child's trust are only available after you have exhausted all other resources. This includes any money available from insurance policies or the federal, state, or local government(s). Also, this includes the assistance programs offered by the Tribe. Before you request money from your child's trust, you must contact the applicable tribal department to seek other resources.

These early distributions are approved when there is both (1) a need for the trust funds after other resources have been exhausted and (2) a qualified use of the trust funds. The qualified use for Early Distributions is for Health needs, only. Distributions from a minor child's account may only be processed for medical procedures that are required for the physical well-being of the child. The procedure(s) must be recommended by a board-certified physician/surgeon specifically qualified to make such recommendations. Cosmetic services are not covered under these criteria.

Health Distributions (no dollar limit after health insurance, IHS, and after any other state or tribal resource Department has been exhausted—all supporting documentation to justify the request must be submitted with the application to be considered.)

- ✦ All routine treatment as well as emergency treatments
- ✦ Braces/dental care
- ✦ Vision, glasses
- ✦ Counseling, psychologist
- ✦ **NOT QUALIFIED USES:** purely cosmetic procedures

HOW TO REQUEST EARLY DISCRETIONARY HEALTH DISTRIBUTIONS FROM THE TRUST

For security purposes, we require that all requests for distributions be in writing and signed by the parent/guardian, or signed by the beneficiary when he or she is over the age of eighteen (18), and include all required supporting documentation.

For Early Discretionary Distributions for Medical services or treatments, you will need to fill out the "Early Discretionary Distribution Request Form," which has several parts for you to complete:

- ✦ General Information – Name and contact information. To prevent fraud, your address must match the address on file with the Tribe's Enrollment Department. You must also include your CDIB card or state-issued Driver's License/ID.
- ✦ Distribution Information – Requested purpose or use of trust funds. Please indicate the requested purpose and amount. You can include a description and should include any invoice or documentation for such this purpose.
- ✦ Lack of Other Resources – Indicate other resources that have already been used. Other resources, whether it is insurance or government programs, should be used before withdrawing trust funds.
- ✦ Affirmation and Signature – For children under age 18, the parent must sign the form. When a child reaches age 18, they must sign the form themselves.

Please ensure that your address and other enrollment data match the information on file with the Tribe's Enrollment Department. As a safeguard to protect your trust funds, we only send distribution checks to the parent, guardian, or beneficiary (if over age 18) with addresses that match the records on file with the Enrollment Department.

HOW IS THE DECISION MADE?

The Tribe, acting as Trustee, legally has the discretion to review the early requests and grant an approval or denial, based on whether it is a qualified use and there is a sufficient need. The Trustee consults with PFTC, acting as the Primary Trust Advisor, on trust distributions.

PROCESSING SCHEDULE

Early distributions will be processed once per week. Completed applications that are received by the end of the day on Monday will, if approved, have payment sent on Thursday.

HOW DISTRIBUTIONS ARE MADE AND RECEIPTS REQUIREMENT

Early discretionary distributions will be made directly to the service providers (i.e., physician/surgeon/medical professional) whenever possible, unless the parent/guardian/adult beneficiary can show proof of payment for services rendered prior to requesting reimbursement. Whenever distributions are made directly to the parent or guardian in advance of services being provided by a medical professional or similar person, invoices and/or receipts are required to show proper use of trust funds before any further trust funds are distributed. Receipts must be submitted as soon as possible to the tribe's trust office.

INVESTMENTS OF THE TRUST

Your children's Trusts are invested prudently to achieve steady long-term growth. Morgan Stanley understands the unique investment objectives that Native American children's trusts should have. Morgan Stanley does not try to fit these trusts into a pre-established model, but, rather creates a customized investment policy for each trust.

The Trust will be invested with an overall conservative approach in age-based portfolios so that younger children are invested to obtain long-term growth (because they will not be withdrawing their funds for many years) and older children are invested to preserve their balances (because they will be withdrawing their funds sooner). Once a year, those minors turning 11 and 16 will be shifted to the next level of investment parameters, to a bucket with a bit more conservative approach as their investment horizon becomes shorter within the trust program.

According to the Investment Policy's Asset Allocation targets and ranges stated below, Morgan Stanley actively manages exposures between asset classes to ensure each investment pool is within compliance.

- ✦ Age-Based Fund: "Preservation" - 16+ years old
 - Equities Range: 0-10% Target: 7%
 - Bonds Range: 0-90% Target: 83%
 - Cash Range: 10-100% Target: 10%

- ✦ Age-Based Fund: "Conservative" - 10 to 16 years old
 - Equities Range: 0-30% Target: 21%
 - Bonds Range: 0-85% Target: 74%
 - Cash Range: 5-100% Target: 5%

- ✦ Age-Based Fund: "Moderate" - 0 to 10 years old
 - Equities Range: 0-60% Target: 42%
 - Bonds Range: 0-75% Target: 53%
 - Cash Range: 5-100% Target: 5%

**If an adult beneficiary intends to immediately roll their entire trust over into an investment account with a different firm at the age of 21, and if they do not intend to tap the trust at the exact moment of closure, they may choose, if they so desire, to remain in the more aggressive of the three investment options. Technically, their 'investment horizon' is still considerably long at their closure age of 21.

TAXES

Per capita payments from the Tribe to its members are subject to federal income taxation. This also applies to per capita payments to minors. The Trust was structured in a way that the per capita payments were taxed in the year that the funds went into the Trust, so there will not be any taxes incurred at the time when there are adult or early discretionary distributions except for earnings in the given year as long as taxes have been filed annually prior to closure at age 21 with the IRS.

Be aware that there will likely be a tax liability each year on the interest, gains, and dividends earned by the Trust. It will depend upon the value of each trust. Each year you will receive a tax document from PFTC with taxable income that needs to be reported on your child's income tax return. This taxable income will be reported on a Schedule K-1. The Schedule K-1 is used since each child is a beneficiary of a trust. The manner of reporting taxable income on the Schedule K-1 will be concise and should make for simple preparation of tax returns.

Additionally, when the Tribe makes per capita payments into a trust, the Tribe will issue a 1099 form for each minor who receives any per capita deposits into their trust account. The 1099 and K1 forms will both be required in the preparation of the minor's tax filing.

It is strongly recommended that a tax form be filed annually even if there are no taxes owed on the trust for the given year to avoid any confusion on the part of the IRS at the time of the Trust Closure. This ensures a record of filings that helps defend against any claim on the trust by the IRS for past due taxes. (Tribal parents/guardians should absolutely consult a licensed tax professional to obtain official guidance on this matter.)

DEATH

If a child dies while he or she still has a Trust account, the account will be distributed based on the rules and regulations adopted by the Tribal Council regarding succession and intestacy laws as set forth in the 3rd Amended and Restated Master Trust Document.

An adult member beneficiary upon reaching the age of 18, may complete a Statement of Beneficiaries that will determine who will inherit the assets of the trust account upon the untimely death of that member should it occur between the ages of 18 and 21, before the termination of the trust at 21 years of age.

TRUST STATEMENTS

Providence First Trust Company will mail individual statements to each child who has a trust balance each calendar quarter in April, July, October, and January. These statements will clearly show your trust balance and transactions in your trust during the preceding three months, and there will be included articles regarding trust information and financial education. Statements will be mailed to the address on file with the Tribe's Enrollment Department, so please make sure you keep your address updated with the Tribe.

CONFIDENTIALITY

We consider each account confidential and have numerous safeguards to ensure all personal information is kept secure. We do not release this information to anyone but you, as the parent/guardian, and tribal and other government entities as needed. When your child reaches the age of 18, he or she is considered an adult, and we will only be able to interact with them directly unless they authorize us to interact with a parent also. To ensure confidentiality and security through telephone conversations, we will ask a few security questions when you call us to discuss your child's trust account. We will ask you to verify information such as your child's tribal enrollment number, date of birth and/or address. All of your child's confidential and personal information that we receive is kept in a secure location – both electronically and physically.

BACKGROUND ON THE PRIMARY TRUST ADVISOR & INVESTMENT MANAGER

Providence First Trust Company is an independent trust company that specializes in Native American per capita trusts. The firm is a recognized market leader, currently administering 20 other similar Native American per capita trusts with approximately \$1 billion in assets. PFTC customizes its services to fit the needs and circumstances of these Native American communities and their 25,000 beneficiaries and families. Company officers are trained in the specific laws and tax regulations pertaining to these trusts, and their database is specifically built for the enrollment and accounting data of these trusts. When you call Providence, you will speak directly to staff who work exclusively with Native American parents and children. Company offices are located in Indian Country, on the reservation of the Salt River Pima-Maricopa Indian Community in Scottsdale, Arizona.

The Native American Investment Services Group (NAISG) at Morgan Stanley is a dedicated institutional investment advisor and manager to Native America with more than 30 Native American tribal relationships representing approximately \$1 billion in assets. Morgan Stanley is one of the world's largest and most respected investment management firms with 80 years of experience and a total of \$2 trillion in client assets. This group brings Morgan Stanley's top-ranked institutional managed account programs to the Trust.

HOW DO I OBTAIN MORE INFORMATION?

The Tribe has a Minors' Trust Department office on the reservation that handles any inquiries and accepts all applications for distributions. Copies of this pamphlet and application forms are available at the Tribe's Minors' Trust Department, on the tribe's website (<https://www.tunicabiloxi.org/minors-trust/>), and via an email request to bwlintinger@tunica.org.

The Tribe's Trust office welcomes comments and feedback from our member stakeholders. The office will continually strive to provide timely and supportive services to all tribal members whose children are in the trust program and those children as they mature and age out of the program. The objective here is to create a seamless process for communications and instructions relating to the Minors' Trust program.

If you have questions related to the Trust program, please contact the Trust office at the sites below. If you are in need of specific tax guidance, while the Tribe does not take an official position on individual matters, the Trust office or one of the Tribe's satellite offices in Chicago or Houston may be able to assist you in locating an industry professional to answer any questions or provide guidance, if necessary.

Contact information for the Tribe's Minors Trust Department:

Brenda W. Lintinger, Director
Minors' Trust Program
Cultural & Education Resources Center
150 Melacon Road
Marksville, LA 71351

Direct Office Line: 318-427-7406
Toll Free: 800-272-9767, ext. 7406
Cell: 504-913-2468
Email: bwlintinger@tunica.org