



**CHRISTIANA**Trust  
A DIVISION OF WSFS BANK

## ***An Invitation***

*We extend an invitation to you to join the other individuals, families, financial advisors, businesses, and institutions who have found Christiana Trust to be a firm uniquely responsive to client needs. We invite you to contact us for further information on how you or your clients may be able to defer recognition of capital gains tax liabilities and enjoy various other advantages by using Christiana Trust to implement a like-kind exchange.*

## CHRISTIANA TRUST - WHO WE ARE

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From our beginning, Christiana Trust has been dedicated to providing exceptional personal service and professional assistance to individuals, families, and corporate and institutional clients.

Now Christiana Trust is a division of WSFS Bank, a Delaware institution founded in 1832 and one of the ten oldest continually operating banks in the United States. To WSFS's history of world-class service Christiana Trust adds its own proud traditions and expertise.

We provide the following like-kind exchange services:

- *Act as a qualified intermediary under safe harbor rules*
- *Complete recordkeeping*
- *Asset and document custody*
- *Full investment services for cash balances*
- *Escrow agency services*
- *Administration and distributions according to the terms of the exchange structure*

## THE BENEFITS FROM A LIKE-KIND EXCHANGE

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In addition to the deferral of capital gains, a carefully structured like-kind exchange may allow you to:

- *Make intergenerational asset transfers or distributions*
- *Effect intercorporate asset transfers*

While like-kind exchanges can be used in numerous circumstances, many corporations employ them when they are planning a merger or acquisition or are engaged in an asset rationalization program. Very often, owners of closely

held C or Subchapter S corporations use like-kind exchanges for succession planning. Like-kind exchanges can also be used in corporate economic value-added evaluations.

Finding an institution that has the systems, the people, and the experience to facilitate and implement a successful like-kind exchange is critically important. Christiana Trust is that institution. We provide a full range of trust and escrow services that can help you or your clients manage every aspect of the exchange process.

## LIKE-KIND EXCHANGES

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Like-kind exchanges need not be simultaneous. The tax law sanctions deferred exchanges when specific requirements are met. If you opt to use the **Forward Deferred Exchange**, for example, you must ensure that proceeds from the sale of your asset are placed in a trust or escrow account and that you identify the replacement asset within 45 days of the sale date. You must

actually acquire the replacement asset within 180 days of the sale date (or by the due date of your tax return, including extensions, if earlier).

Another type of deferred like-kind exchange is known as a **Reverse Exchange Transaction**. Under this approach, you receive the replacement property prior to the date on which you transfer the relinquished property.

## QUALIFYING ASSETS

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### Real Property

The tax law grants a wide degree of flexibility when it comes to exchanging real estate assets. “Like-kind property” includes:

- Land
- Land with improvements of any type
- A leasehold with a remaining term of at least 30 years

There is a great deal of interchangeability within these three categories. For example, you can exchange one type of real estate for another – a warehouse for raw land, a manufacturing facility for the lease on an office building, and so on.

### Personal Property

Much less flexibility exists in the exchange of personal property. Depreciable tangible personal property must be exchanged for like-kind property or for property within the same general asset class or product class. The law would permit you to exchange, for example, a heavy-duty dump truck for another heavy-duty dump truck, but it would not allow you to exchange a dump truck for a tractor-trailer or an automobile.

The tax law excludes certain types of property from a like-kind exchange – inventory, securities, partnership interests, trust certificates, and choses in action. In addition, you cannot exchange U.S. property for foreign property.

## BENEFITS OF WORKING WITH CHRISTIANA TRUST

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### Depth of Experience

When it comes to administering complex life settlement issues, we have the experience. With combined experience of over 30 years our specialized team members have the knowledge necessary to ensure that your like-kind exchange issues will be handled with great care and attention to detail.

### A Superlative Level of Service

Our corporate culture always places the interests of our clients first. Our trust professionals are committed to meeting each of our client’s needs efficiently and proactively.

### A Focus on the Important Issues

Like-kind exchange transactions are very important to our firm and are an integral part of our growing business. We understand the needs of our clients. That’s one reason we seek out and hire the best professionals in the field.

### A Team Approach

Our like-kind exchange team of professionals works closely with each organization’s legal and financial advisors to ensure that all like-kind exchange transactions are handled smoothly and efficiently.