

1 A. Yes.

2 Q. Was there ever a debt of the Trust on this \$40,000 note
3 that's referenced right above the \$266,000 debt?

4 A. Other than the fact that the mortgage followed the
5 property into the Trust, no.

6 Q. Now, --

7 THE COURT: As to the Trust, the debt was *in rem*.

8 THE WITNESS: It was *in rem*.

9 THE COURT: But, it was a personal obligation of
10 Mr. Bell?

11 THE WITNESS: Yes, sir. And, when Mr. Bell donated
12 the property, he reserved the usufruct and I didn't think that
13 the donation was valid, anyhow, because the Trust specifically
14 says that you can't reserve usufruct. If you allow a settlor
15 to reserve a usufruct on property donated to a trust, it has no
16 meaning, because you're doing an irrevocable trust, and what
17 you want to do is take the property out of the settlor's
18 control, completely.

19 And, that's my understanding of how the law works. I
20 don't think the donation was good at all. What I tried to do,
21 in an effort to prevent the victims of Mr. Bell, who was a
22 pedophile and had outstanding suits pending against him, from
23 having that property transferred back to him, put into his
24 patrimony again and then have to go through another three-year
25 revocatory period, I ran it through the Trust, because the

aggregate withdrawal amount during any calendar year shall not exceed the federal gift tax annual exclusion applicable to gifts made by the donor to the beneficiary applicable to that calendar year. The power of withdrawal shall be non-cumulative.

Notice. Each time a donation subject to the withdrawal power is received, the Trustee shall notify the beneficiaries in writing.

A power of withdrawal shall be deemed exercised upon delivery to the Trustee of written notice of a beneficiary's intention to exercise that power. Unless the Trustee receives notice of exercise within 30 days after giving notice of its availability to a beneficiary, the beneficiary's power of withdrawal shall lapse.

9.2 Waiver of Collation. The interests created by this trust for Settlor's children, and any donations made to this trust subsequent hereto, are intended as and shall be extra portions and not subject to collation.

* 9.3 Waiver of Usufruct. Any donations to this trust shall be made under the express condition that the parents of the beneficiaries shall not enjoy any usufruct or any other right that he or she might otherwise have by virtue of any of the provisions of Louisiana law over the property donated or held in this trust.

THUS DONE, READ AND SIGNED at Lafayette, Louisiana, on this 8th day of October, 1996.

WITNESSES:

Krist L. Louvoletts
[Signature]

Wilfred Bell
WILFRED BELL, SETTLOR

Sue Bell
SUE BELL, TRUSTEE

WILLIAM J. FRIEDMAN, JR.
NOTARY PUBLIC

EXHIBIT
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